

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

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

**Syndax Pharmaceuticals, Inc.**

(Exact name of registrant as specified in its charter)

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

2834  
(Primary Standard Industrial Classification Code Number)  
**400 Totten Pond Road, Suite 110  
Waltham, Massachusetts 02451  
(781) 419-1400**

32-0162505  
(I.R.S. Employer Identification Number)

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

**Briggs W. Morrison, M.D.  
Chief Executive Officer  
Syndax Pharmaceuticals, Inc.  
400 Totten Pond Road, Suite 110  
Waltham, Massachusetts 02451  
(781) 419-1400**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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*Copies to:*  
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Chief Financial Officer, Treasurer and Secretary  
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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this registration statement becomes effective.

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

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

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

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

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

Large accelerated filer

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

Accelerated filer

Smaller reporting company

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price <sup>(1)</sup>	Amount of Registration Fee <sup>(2)(3)</sup>
Common Stock, \$0.0001 par value per share	\$86,250,000	\$8,685.38

(1) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended, and includes the offering price of the shares of common stock that the underwriters have an option to purchase to cover over-allotments, if any.

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

(3) A registration fee in the aggregate amount of \$9,553.74 was previously paid by the registrant in connection with the filing of a Registration Statement on Form S-1 (Registration No. 333-194845), first filed on March 27, 2014 and subsequently withdrawn prior to the sale of any securities thereunder. Pursuant to Rule 457(p) under the Securities Act, the Registrant hereby applies \$8,685.38 of the previously paid filing fee against amounts due herewith.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated January 4, 2016

PRELIMINARY PROSPECTUS



Shares

Common Stock

This is the initial public offering of shares of common stock of Syndax Pharmaceuticals, Inc. We are offering \_\_\_\_\_ shares of our common stock. Prior to this offering, there has been no public market for our common stock. We expect the initial public offering price to be between \$ \_\_\_\_\_ and \$ \_\_\_\_\_ per share. We have applied to list our common stock on the NASDAQ Global Market under the symbol "SNDX."

We are an "emerging growth company" as defined by the Jumpstart Our Business Startups Act of 2012 and, as such, we have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings.

**Investing in our common stock involves a high degree of risk. See "[Risk Factors](#)" beginning on page 10 of this prospectus.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

	<u>PER SHARE</u>	<u>TOTAL</u>
Initial public offering price	\$ _____	\$ _____
Underwriting discounts and commissions <sup>(1)</sup>	\$ _____	\$ _____
Proceeds, before expenses, to us	\$ _____	\$ _____

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

Delivery of the shares of common stock purchased in this offering is expected to be made on or about \_\_\_\_\_, 2016. We have granted the underwriters an option for a period of 30 days to purchase up to \_\_\_\_\_ additional shares of common stock solely to cover over-allotments, if any.

**Morgan Stanley**

**JMP Securities**

**Citigroup**

**Oppenheimer & Co.**

Prospectus dated \_\_\_\_\_, 2016

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**You should rely only on the information contained in this prospectus and any free writing prospectus prepared by or on behalf of us or to which we have referred you. We have not authorized anyone to provide you with information that is different. We are offering to sell shares of our common stock, and seeking offers to buy shares of our common stock, only in jurisdictions where offers and sales are permitted. The information in this prospectus is complete and accurate only as of the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or any sale of shares of our common stock.**

Until and including \_\_\_\_\_, 2016 (25 days after the date of this prospectus), all dealers that buy, sell or trade shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealers’ obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

For investors outside the United States: neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of shares of our common stock and the distribution of this prospectus outside the United States.

Except as otherwise indicated herein or as the context otherwise requires, references in this prospectus to “Syndax,” “the company,” “we,” “us,” “our” and similar references refer to Syndax Pharmaceuticals, Inc. and our wholly owned subsidiary. “Syndax” is a registered trademark and the “Syndax” and “Syndax Pharmaceuticals” logos are unregistered trademarks of the company. This prospectus also contains registered marks, trademarks and trade names of other companies. All other trademarks, registered marks and trade names appearing in this prospectus are the property of their respective holders.

## PROSPECTUS SUMMARY

*The following summary highlights information contained elsewhere in this prospectus and is qualified in its entirety by the more detailed information and consolidated financial statements and related notes thereto included elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. Before you decide to invest in our common stock, you should read and carefully consider the following summary together with the entire prospectus, including our consolidated financial statements and the related notes thereto included elsewhere in this prospectus and the matters discussed in the sections titled “Risk Factors,” “Selected Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Some of the statements in this prospectus constitute forward-looking statements that involve risks and uncertainties. See the section titled “Special Note Regarding Forward-Looking Statements and Industry Data.” Our actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including those discussed in the section titled “Risk Factors” and other sections of this prospectus.*

### **Our Company**

We are a clinical stage biopharmaceutical company developing entinostat as a combination therapy in multiple cancer indications with our initial focus on tumors that have shown sensitivity to immunotherapy, including lung cancer, melanoma, ovarian cancer and triple negative breast cancer, or TNBC. Entinostat is our oral, small molecule drug candidate that has direct effects on both cancer cells and immune regulatory cells, potentially enhancing the body’s immune response to tumors. The favorable safety profile of entinostat has been demonstrated in clinical trials in more than 900 cancer patients. We are currently evaluating entinostat in combination with *Keytruda*<sup>®</sup> (pembrolizumab) in a Phase 1b/2 clinical trial for non-small cell lung cancer, or NSCLC, and melanoma, and we plan to initiate a Phase 1b/2 clinical trial for entinostat in combination with atezolizumab in TNBC in the first half of 2016 and a Phase 1b/2 clinical trial for entinostat in combination with avelumab in ovarian cancer in the second half of 2016. We believe that, based on its mechanism of action, entinostat may have broad applications in additional tumor types, including head and neck, bladder and renal cell, which are immuno-responsive, or sensitive to immunotherapy.

We are also developing entinostat for use in advanced hormone receptor positive, or HR+, breast cancer. Following positive results from our Phase 2b clinical trial, ENCORE 301, entinostat in combination with *Aromasin*<sup>®</sup> (exemestane tablets) was granted breakthrough therapy designation by the U.S. Food and Drug Administration, or the FDA, in advanced HR+ breast cancer for which it is currently being evaluated in a Phase 3 clinical trial.

Immuno-oncology is an emerging field of cancer medicine that has focused on the development of therapeutic approaches designed to activate the immune system to find and destroy cancer cells. Many tumors have the ability to evade the immune system through direct cellular interactions and recruitment of immuno-suppressive cells to the area surrounding the tumor. One such evasion mechanism is through the expression of proteins known as checkpoint proteins, such as programmed cell death protein ligand 1, or PDL-1, on the cancer cell surface. These checkpoint proteins bind to a corresponding receptor known as programmed cell death protein 1, or PD-1, which is expressed on particular immune cells known as cytotoxic T cells. Through this binding process, cytotoxic T cells are blocked from killing cancer cells. Antibodies known as immune checkpoint inhibitors block the interaction between PD-1 and PDL-1 to restore the ability of cytotoxic T cells to kill cancer cells and

have shown significant clinical benefit in treating certain cancers. We believe that entinostat acts on a different tumor-evasion mechanism than is targeted by most other immunotherapies in development. Instead of focusing on the interaction between the T cell and the tumor, entinostat has been observed to decrease the population of immuno-suppressive cells known as myeloid-derived suppressor cells, or MDSCs, and regulatory T cells, or Tregs, which localize in the area surrounding the tumor and block T cells from killing cancer cells.

We believe entinostat, a Class 1-specific histone deacetylase, or HDAC, inhibitor, is the therapy most advanced in development that can directly reduce both the number and activity of MDSCs and Tregs while sparing the cytotoxic T cells. Through blocking the immuno-suppressive effects of MDSCs and Tregs, we believe entinostat has the potential to be used synergistically with therapies such as immune checkpoint inhibitors, resulting in the increased ability of the T cells to attack the tumor. Through this important effect on MDSCs and Tregs, entinostat has the potential to be used synergistically with therapies working to stimulate the immune system. The long half-life of entinostat allows for continuous exposure to therapy potentially resulting in positive immuno-modulatory effects without corresponding cytotoxic effects. Another benefit of entinostat's long half-life is the potential to minimize the frequency of dosing and reduce the severity and frequency of adverse events. We believe entinostat's well-characterized safety profile and mechanism of action allows it to be readily combined with, and thereby enhance the activity of, conventional and novel cancer therapies, such as immune checkpoint inhibitors, hormone therapies and chemotherapies.

Entinostat is currently being studied in clinical trials across a broad range of solid tumors, including breast cancer, NSCLC, renal cell carcinoma and ovarian cancer. We are working in collaboration with Merck & Co. Inc., or Merck, to study the combination of entinostat with Merck's immune checkpoint inhibitor, *Keytruda*, in a Phase 1b/2 clinical trial, ENCORE 601, of up to 178 patients with NSCLC or melanoma. Patient enrollment was initiated in the Phase 1b portion of the clinical trial in August 2015, which will evaluate the safety and tolerability of the combination of entinostat and *Keytruda*, and the Phase 2 portion of the clinical trial will assess the efficacy of entinostat combined with *Keytruda* in patients with either NSCLC or melanoma. We have also entered into a collaboration with Genentech, Inc., or Genentech, to evaluate the safety, tolerability and preliminary efficacy of entinostat in combination with Genentech's investigational immune checkpoint inhibitor, atezolizumab, in a Phase 1b/2 clinical trial, ENCORE 602, of patients with TNBC. We have also entered into a collaboration with a subsidiary of Merck KGaA, Darmstadt, Germany, or Merck KGaA, and Pfizer Inc. to evaluate the safety, tolerability and preliminary efficacy of entinostat in combination with an investigational monoclonal antibody targeting PDL-1, avelumab, in a Phase 1b/2 clinical trial, ENCORE 603, of patients with ovarian cancer. Avelumab is the proposed International Non-proprietary Name for the anti-PD-L1 IgG1 monoclonal antibody (MSB0010718C). Additionally, entinostat is being evaluated in two ongoing and one planned investigator-sponsored clinical trials that are designed to provide further validation of entinostat's immuno-modulatory activity in various other immuno-responsive tumors. We believe that there may be further opportunities through these and additional collaborations to expand the indications in which entinostat may target immunologic mechanisms of resistance to cancer therapies.

We are also providing financial and operational support for an ongoing Phase 3 clinical trial in advanced HR+ breast cancer in combination with *Aromasin*. Eastern Cooperative Oncology Group-American College of Radiology Imaging Network Cancer Research Group, or ECOG-ACRIN, is conducting this clinical trial under sponsorship and funding support from the National Cancer Institute,

or NCI. The Phase 3 clinical trial is designed to determine whether the addition of entinostat to *Aromasin* improves progression-free survival, or PFS, overall survival, or both in patients who have previously progressed after treatment with standard-of-care hormonal agents. We believe that the submission of the results of the Phase 3 clinical trial, if successful, would be sufficient for regulatory approval of entinostat in the United States.

**Clinical Development Programs of Entinostat**

The following table sets forth information pertaining to the clinical trials for entinostat with our initial focus on advancing ENCORE 601, ENCORE 602 and ENCORE 603 in immuno-oncology and E2112, our collaboration with ECOG-ACRIN and the NCI, in advanced HR+ breast cancer.

<i>Immuno-Oncology</i>	Preclinical	Phase 1	Phase 2	Phase 3	Indication	Sponsor	Data Expected
ENCORE 601: Entinostat + <i>Keytruda</i>					NSCLC / melanoma	Syndax	Second half of 2016
ENCORE 602: Entinostat + atezolizumab					TNBC	Syndax	Second half of 2016
ENCORE 603: Entinostat + avelumab					Ovarian Cancer	Syndax	First half of 2017
J1353: Epigenetic Priming to Immunotherapy					NSCLC	Johns Hopkins	Second half of 2016
NCI-7870: Entinostat + <i>Proleukin</i>					Renal cell carcinoma	NCI	First half of 2016
NCI-9844: Entinostat + <i>Opdivo</i> + <i>Yervoy</i>					Solid tumors	NCI	Second half of 2017
<i>Advanced HR+ Breast Cancer</i>	Preclinical	Phase 1	Phase 2	Phase 3	Indication	Sponsor	Data Expected
E2112: Entinostat + <i>Aromasin</i>					Advanced HR+, HER2- breast cancer	NCI/Syndax	Second half of 2017 (PFS) 2019 (OS)
<i>Other Indications</i>	Preclinical	Phase 1	Phase 2	Phase 3	Indication	Sponsor	Data Expected
NCI-8871: Entinostat + <i>Tykerb</i> + <i>Herceptin</i>					HER2+ breast cancer	NCI	Fourth quarter of 2015
NCI-9253: Epigenetic Priming to Chemotherapy					NSCLC	NCI	Second half of 2017

**Our Strategy**

We are focused on developing entinostat for use in multiple cancer indications in combination with complementary therapeutic drugs. Key elements of our strategy include:

- establish entinostat as the combination therapy of choice with immune checkpoint inhibitors, initially PD-1 and PDL-1 inhibitors;
- pursue regulatory approval of entinostat in indications with significant unmet need and commercial potential;
- continue to develop and obtain regulatory approval for entinostat in combination with hormone therapy in advanced HR+ breast cancer; and
- leverage the technical and business expertise of our management team and scientific collaborators to license, acquire and develop additional cancer therapies to expand our pipeline.

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

Our ability to implement our business strategy is subject to numerous risks and uncertainties. As a late-stage biopharmaceutical company, we face many risks inherent in our business and our industry generally. You should carefully consider all of the information set forth in this prospectus and, in particular, the information in the section titled “Risk Factors,” prior to making an investment in our common stock. These risks include, among others, the following:

- We have no source of product revenue, may never achieve or maintain profitability, have incurred net losses since our inception and anticipate that we will continue to incur net losses for the foreseeable future.
- We will require additional capital to finance our planned operations, which may not be available to us on acceptable terms, or at all.
- Entinostat currently is our only product candidate. If we are unable to successfully complete clinical development of, obtain regulatory approval for and commercialize entinostat, our business prospects will be significantly harmed.
- Our strategy of combining entinostat with immune checkpoint inhibitors is clinically untested and we may fail to show that the combination is safe and well tolerated and demonstrates additional clinical benefit from the combination.
- The failure of ECOG-ACRIN to adequately perform its obligations and responsibilities in the conduct of the Phase 3 clinical trial or to meet expected deadlines could substantially harm our business because we may not obtain regulatory approval for entinostat in a timely manner, or at all.
- We are dependent on Merck, Genentech, Merck KGaA and Pfizer and any future collaborators to perform satisfactorily under our agreements.
- The regulatory approval processes of the FDA and foreign regulatory authorities are lengthy, time consuming and inherently unpredictable. Our inability to obtain regulatory approval for entinostat could harm our business.
- We face significant competition from other biotechnology and pharmaceutical companies, and our operating results will suffer if we fail to compete effectively.
- If we are unable to obtain or protect intellectual property rights, we may not be able to compete effectively in our market.
- If we breach our license agreement with Bayer Pharma AG (formerly known as Bayer Schering Pharma AG) related to entinostat or if the license agreement is otherwise terminated, we could lose the ability to continue the development and commercialization of entinostat.
- If we are unable to successfully remediate the existing material weakness in our internal control over financial reporting, the accuracy and timing of our financial reporting may be adversely affected.

## **Our Corporate Information**

We were incorporated under the laws of the State of Delaware in October 2005. Our principal executive offices are located at 400 Totten Pond Road, Suite 110, Waltham, Massachusetts 02451, and our telephone number is (781) 419-1400. Our website address is [www.syndax.com](http://www.syndax.com). Our website and the information contained on, or that can be accessed through, the website will not be deemed to be incorporated by reference in, and are not considered part of, this prospectus. You should not rely on any such information in making your decision to purchase our common stock.

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

As a company with less than \$1.0 billion in revenue during our last fiscal year, we qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other burdens that are otherwise applicable generally to public companies. These provisions include:

- a requirement to have only two years of audited financial statements and only two years of related management’s discussion and analysis in this prospectus;
- an exemption from compliance with the auditor attestation requirement on the effectiveness of our internal control over financial reporting;
- an exemption from compliance with any requirement that the Public Company Accounting Oversight Board may adopt regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements;
- reduced disclosure about the company’s executive compensation arrangements; and
- exemptions from the requirements to obtain a non-binding advisory vote on executive compensation or a stockholder approval of any golden parachute arrangements.

We may take advantage of these provisions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than \$1.0 billion in annual revenues, have more than \$700 million in market value of our capital stock held by non-affiliates, or issue more than \$1.0 billion of non-convertible debt over a three-year period. We may choose to take advantage of some, but not all, of the available benefits under the JOBS Act. We have taken advantage of some reduced reporting burdens in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of delayed adoption of new or revised accounting standards and, therefore, we will be subject to the same requirements to adopt new or revised accounting standards as other public companies that are not emerging growth companies.



**The Offering**

Common stock to be offered by us	shares
Common stock to be outstanding immediately following this offering	shares
Over-allotment option	We have granted the underwriters an option for 30 days from the date of this prospectus to purchase up to additional shares of common stock to cover over-allotments, if any.
Use of proceeds	We expect to use the proceeds from this offering for the following purposes: (i) to support the clinical trials of entinostat in combination with Keytruda® (pembrolizumab), atezolizumab and avelumab; (ii) to support additional clinical trials of entinostat in combination with immune checkpoint inhibitors; (iii) to support the Phase 3 clinical trial of entinostat in advanced HR+ breast cancer; (iv) to conduct activities to support the filing of a New Drug Application for entinostat, including manufacturing of registration batches of active pharmaceutical ingredient and final drug product; and (v) the remainder for working capital and general corporate purposes. See the section titled “Use of Proceeds” for a more complete description of the intended use of proceeds from this offering.
Risk factors	You should read the section of this prospectus titled “Risk Factors” for a discussion of factors to carefully consider before deciding to invest in shares of our common stock.
Proposed NASDAQ Global Market symbol	SNDX

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The number of shares of our common stock outstanding immediately following this offering set forth above is based on shares of our common stock outstanding as of September 30, 2015 (including 20,274 shares of unvested restricted stock subject to repurchase by us), which gives effect to the conversion of all outstanding shares of our convertible preferred stock into an aggregate of 16,090,757 shares of our common stock upon completion of this offering.

The number of shares of our common stock outstanding immediately following this offering excludes:

- 3,236,470 shares of our common stock issuable upon the exercise of stock options outstanding as of September 30, 2015 under our 2007 Stock Plan, as amended, or 2007 Plan, at a weighted-average exercise price of \$6.03 per share;
- shares of our common stock issuable upon the exercise of a warrant issued to Bayer on March 26, 2007, or the Bayer Warrant, at an exercise price of \$1.23 per share, based upon shares of our common stock outstanding as of September 30, 2015 on a fully diluted basis immediately following this offering, which warrant is expected to remain outstanding upon completion of this offering;
- shares of our common stock reserved for issuance under our 2015 Omnibus Incentive Plan, or 2015 Plan, which will become effective upon completion of this offering, as well as any future increases in the number of shares of our common stock reserved for issuance under the 2015 Plan; and
- shares of our common stock reserved for issuance under our 2015 Employee Stock Purchase Plan, or ESPP, which will become effective upon completion of this offering, as well as any future increases in the number of shares of our common stock reserved for issuance under the ESPP.

Except as otherwise indicated, the information in this prospectus assumes or gives effect to:

- no exercise by the underwriters of their over-allotment option to purchase up to additional shares of common stock from us;
- the conversion of all outstanding shares of our convertible preferred stock outstanding as of September 30, 2015 into an aggregate of 16,090,757 shares of our common stock upon completion of this offering;
- a -for- reverse stock split of our common stock and convertible preferred stock to be effected prior to the completion of this offering; and
- the filing of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws, which will occur upon the completion of this offering.

### SUMMARY CONSOLIDATED FINANCIAL DATA

The following table summarizes our consolidated financial data. We have derived the following consolidated statements of operations data for the years ended December 31, 2013 and 2014 from our audited consolidated financial statements, included elsewhere in this prospectus. The following consolidated statements of operations data for the nine months ended September 30, 2014 and 2015 and the consolidated balance sheet data as of September 30, 2015, are derived from our unaudited interim condensed consolidated financial statements, included elsewhere in this prospectus. The unaudited interim condensed consolidated financial statements have been prepared on a basis consistent with our audited consolidated financial statements included elsewhere in this prospectus and include, in our opinion, all adjustments, consisting only of normal recurring adjustments, necessary for the fair statement of the financial information in those statements. Our historical results are not necessarily indicative of results to be expected for the full year or any period in the future. The summary consolidated financial data presented below should be read in conjunction with the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes thereto, included elsewhere in this prospectus. The summary consolidated financial data in this section is not intended to replace our consolidated financial statements and the related notes thereto.

(in thousands, except share and per share data)	Year Ended December 31,		Nine Months Ended September 30,	
	2013	2014	2014	2015
<b>Consolidated Statements of Operations Data:</b>				
Revenues:				
License fees	\$ —	\$ —	\$ —	\$ 322
Total revenues	—	—	—	322
Operating expenses:				
Research and development	3,208	10,175	8,720	6,962
General and administrative	5,363	11,157	9,323	9,194
Total operating expenses	8,571	21,332	18,043	16,156
Loss from operations	(8,571)	(21,332)	(18,043)	(15,834)
Other (expense) income:				
Interest (expense) income, net	(771)	(289)	(24)	(890)
Change in fair value of common stock warrant liability	(1,943)	1,789	1,787	(2,085)
Change in fair value of convertible preferred stock warrant liability	128	—	—	—
Change in fair value of tranche liability	(3,144)	—	—	—
Other income (expense), net	130	4	—	(47)
Total other (expense) income	(5,600)	1,504	1,763	(3,022)
Net loss	\$ (14,171)	\$ (19,828)	\$ (16,280)	\$ (18,856)
Net loss attributable to common stockholders—basic and diluted <sup>(1)</sup>	\$ (60,454)	\$ (26,357)	\$ (21,164)	\$ (95,066)
Net loss per share attributable to common stockholders—basic and diluted <sup>(1)</sup>	\$ (1,139.14)	\$ (362.38)	\$ (291.55)	\$ (1,200.18)

(in thousands, except share and per share data)	Year Ended December 31,		Nine Months Ended September 30,	
	2013	2014	2014	2015
Weighted-average common shares outstanding used to compute net loss per share attributable to common stockholders—basic and diluted <sup>(1)</sup> :	53,070	72,733	72,591	79,210
Pro forma net loss per share attributable to common stockholders, basic and diluted <sup>(1)</sup>		\$ (2.69)		\$ (1.57)
Pro forma weighted-average common shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted <sup>(1)</sup>		8,007,439		10,582,324

- (1) See Note 2 to our audited consolidated financial statements and our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate the historical and pro forma net loss per share, basic and diluted, and the weighted-average number of shares used in the computation of the per share amounts.

(in thousands)	As of September 30, 2015		
	Actual	Pro Forma <sup>(1)</sup>	Pro Forma As Adjusted <sup>(2)(3)</sup>
<b>Consolidated Balance Sheet Data:</b>			
Cash, cash equivalents and short-term investments	\$ 100,199	\$ 91,446	\$
Total assets	102,839	93,847	
Current portion of long-term debt	8,175	—	
Long-term debt, less current portion	—	—	
Convertible preferred stock	315,597	—	
Accumulated deficit	(252,087)	(252,695)	
Total stockholders' (deficit) equity	(244,838)	72,929	

- (1) The pro forma column in the consolidated balance sheet data above gives effect to (i) the conversion of all outstanding shares of our convertible preferred stock outstanding as of September 30, 2015 into an aggregate of 16,090,757 shares of our common stock upon completion of this offering and (ii) the prepayment of the Solar Capital Ltd. term loans on October 1, 2015, which reflects the September 30, 2015 outstanding balance of \$8.3 million plus accrued interest of \$0.1 million, the write-off of the unamortized debt discount and deferred issuance costs of \$0.3 million, and a final fee and prepayment penalty of \$0.4 million, due October 1, 2015.
- (2) The pro forma as adjusted column in the consolidated balance sheet data above gives additional effect to the sale of \_\_\_\_\_ shares of common stock in this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, as if the sale of the shares in this offering had occurred as of September 30, 2015.
- (3) Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ \_\_\_\_\_ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) each of cash, cash equivalents and short-term investments, working capital, total assets and total stockholders' equity by approximately \$ \_\_\_\_\_ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1.0 million shares in the number of shares offered by us would increase (decrease) each of cash, cash equivalents and short-term investments, working capital, total assets and total stockholders' equity by approximately \$ \_\_\_\_\_ million, assuming that the assumed initial public offering price remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will adjust based on the actual initial public offering price and other terms of this offering determined at pricing.

## RISK FACTORS

*Investing in our common stock involves a high degree of risk. Before making your decision to invest in shares of our common stock, you should carefully consider the risks described below, together with the other information contained in this prospectus, including our consolidated financial statements and the related notes appearing at the end of this prospectus. We cannot assure you that any of the events discussed below will not occur. These events could harm our business, results of operations, financial condition and cash flows. If that were to happen, the trading price of our common stock could decline, and you could lose all or part of your investment.*

### **Risks Related to Our Financial Position and Capital Needs**

*We have incurred net losses since our inception and anticipate that we will continue to incur net losses for the foreseeable future.*

Investment in biopharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that any potential product candidate will fail to demonstrate adequate efficacy or an acceptable safety profile, gain regulatory approval or be commercially viable. We are a clinical stage biopharmaceutical company with limited operating history. We have no products approved for commercial sale and have not generated any product revenues to date, and we continue to incur significant research and development and other expenses related to our ongoing operations and clinical development of entinostat. As a result, we are not and have never been profitable and have incurred losses in each period since our inception in 2005. For the years ended December 31, 2013 and 2014 and the nine months ended September 30, 2015, we reported a net loss of \$14.2 million, \$19.8 million and \$18.9 million, respectively. As of September 30, 2015, we had an accumulated deficit of \$252.1 million, which included non-cash charges for stock-based compensation, preferred stock accretion and extinguishment charges.

We expect to continue to incur significant losses for the foreseeable future, and we expect these losses to increase as we continue our research and development of, and seek regulatory approvals for, entinostat. We may also encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. The size of our future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenues, if any. Our prior losses and expected future losses have had and will continue to have an adverse effect on our stockholders' equity and working capital.

*We currently have no source of product revenue and may never achieve or maintain profitability.*

Our ability to generate product revenue and become profitable depends upon our ability to successfully commercialize entinostat. We do not anticipate generating revenue from the sale of entinostat for the foreseeable future. Our ability to generate future product revenue from entinostat also depends on a number of additional factors, including, but not limited to, our ability to:

- successfully complete the research and clinical development of, and receive regulatory approval for, entinostat;
- launch, commercialize and achieve market acceptance of entinostat, and if launched independently, successfully establish a sales, marketing and distribution infrastructure;

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- establish and maintain supplier and manufacturing relationships with third parties, and ensure adequate and legally compliant manufacturing of bulk drug substances and drug products to maintain that supply;
- obtain coverage and adequate product reimbursement from third-party payors, including government payors;
- establish, maintain and protect our intellectual property rights; and
- attract, hire and retain additional qualified personnel.

In addition, because of the numerous risks and uncertainties associated with the development of a new chemical entity, including that entinostat may not achieve the endpoints of applicable trials, we are unable to predict the timing or amount of increased expenses, and if or when we will achieve or maintain profitability. In addition, our expenses could increase beyond expectations if we decide to or are required by the U.S. Food and Drug Administration, or FDA, or foreign regulatory authorities to perform studies or trials in addition to those that we currently anticipate. Even if we complete the development and regulatory processes described above, we anticipate incurring significant costs associated with launching and commercializing entinostat and any other product candidates we may develop.

Even if we generate revenues from the sale of entinostat, we may not become profitable and may need to obtain additional funding to continue operations or acquire additional products that will require additional funding to develop them. If we fail to become profitable or do not sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce our operations or even shut down.

***We will require additional capital to finance our planned operations, which may not be available to us on acceptable terms, or at all. As a result, we may not complete the development and commercialization of entinostat or develop new product candidates.***

Our operations have consumed substantial amounts of cash since our inception, primarily due to our research and development efforts. We expect our research and development expenses to increase substantially in connection with our ongoing and planned activities. We believe that the net proceeds from this offering, together with our existing cash and cash equivalents and short-term investments, will fund our projected operating expenses and capital expenditure requirements for at least the next 24 months. Unexpected circumstances may cause us to consume capital more rapidly than we currently anticipate. For example, we may discover that we need to conduct additional activities which exceed our current budget to achieve appropriate rates of patient enrollment, which would increase our development costs.

In any event, we will require additional capital to continue the development of, obtain regulatory approval for, and to commercialize, entinostat and any future product candidates. Any efforts to secure additional financing may divert our management from our day-to-day activities, which may adversely affect our ability to develop and commercialize entinostat. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. If we do not raise additional capital when required or on acceptable terms, we may need to:

- delay, scale back or discontinue the development or commercialization of entinostat or cease operations altogether;

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- seek strategic alliances for entinostat on terms less favorable than might otherwise be available; or
- relinquish, or license on unfavorable terms, our rights to technologies or any future product candidates that we otherwise would seek to develop or commercialize ourselves.

If we need to conduct additional fundraising activities and we do not raise additional capital in sufficient amounts or on terms acceptable to us, we may be prevented from pursuing development and commercialization efforts, which will harm our business, operating results and prospects.

Our future funding requirements, both short- and long-term, will depend on many factors, including:

- the initiation, progress, timing, costs and results of clinical trials for entinostat;
- the outcome, timing and cost of seeking and obtaining regulatory approvals from the FDA and foreign regulatory authorities, including the potential for such authorities to require that we perform more trials than we currently expect;
- the cost to establish, maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with licensing, preparing, filing, prosecuting, defending and enforcing any patents or other intellectual property rights;
- market acceptance of entinostat;
- the cost and timing of selecting, auditing and developing manufacturing capabilities, and potentially validating manufacturing sites for commercial-scale manufacturing;
- the cost and timing for obtaining pricing and reimbursement, which may require additional trials to address pharmacoeconomic benefit;
- the cost of establishing sales, marketing and distribution capabilities for entinostat if entinostat receives regulatory approval and we determine to commercialize it ourselves;
- the costs of acquiring, licensing or investing in additional businesses, products, product candidates and technologies;
- the effect of competing technological and market developments; and
- our need to implement additional internal systems and infrastructure, including financial and reporting systems, as we become a public company.

If we cannot expand our operations or otherwise capitalize on our business opportunities because we cannot secure sufficient capital, our business, financial condition and results of operations could be materially adversely affected.

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

We have incurred substantial losses during our history. We do not expect to become profitable in the near future, and we may never achieve profitability. Unused losses generally are available to be carried forward to offset future taxable income, if any, until such unused losses expire. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an “ownership

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change,” generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period, the corporation’s ability to use its pre-change net operating loss carryforwards, or NOLs, and other pre-change tax attributes (such as research tax credits) to offset its post-change taxable income or taxes may be limited. We completed an analysis through September 30, 2015 and determined that on March 30, 2007 and August 21, 2015 ownership changes had occurred. We may have experienced an ownership change subsequent to September 30, 2015, and we may also experience ownership changes in the future as a result of this offering or subsequent shifts in our stock ownership, some of which may be outside of our control. As a result, our ability to use our pre-change NOLs to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

### **Risks Related to Our Business and Industry**

***Entinostat is currently our only product candidate. If we are unable to successfully complete clinical development of, obtain regulatory approval for and commercialize entinostat, our business prospects will be significantly harmed.***

Entinostat is currently our only product candidate. Our financial success will depend substantially on our ability to effectively and profitably commercialize entinostat. In order to commercialize entinostat, we will be required to obtain regulatory approvals by establishing that it is sufficiently safe and effective. The clinical and commercial success of entinostat will depend on a number of factors, including the following:

- timely commencement and completion of the planned Phase 1b/2 clinical trials of entinostat in combination with *Keytruda*<sup>®</sup> (pembrolizumab), atezolizumab and avelumab;
- timely patient enrollment and completion of the Phase 3 clinical trial in advanced hormone receptor, or HR+, breast cancer, which may be significantly slower than we currently anticipate and will depend substantially upon the satisfactory performance of the Eastern Cooperative Oncology Group—American College of Radiology Imaging Network Cancer Research Group, or ECOG-ACRIN, and the National Cancer Institute, or NCI, and other third-party contractors;
- whether we are required by the FDA or foreign regulatory authorities to conduct additional clinical trials;
- the prevalence and severity of adverse side effects;
- the ability to demonstrate entinostat’s safety and efficacy for its proposed indications and the timely receipt of necessary marketing approvals from the FDA and foreign regulatory authorities;
- achieving and maintaining compliance with all regulatory requirements applicable to entinostat;
- the availability, perceived advantages, relative cost, relative safety and relative efficacy of alternative and competing treatments;
- the effectiveness of our own or our potential strategic collaborators’ marketing, sales and distribution strategy and operations in the United States and abroad;



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- the ability of our third-party contract manufacturers to produce trial supplies of entinostat and to develop, validate and maintain a commercially viable manufacturing process that is compliant with current Good Manufacturing Practices, or cGMP;
- the availability of commercial supplies of therapeutics, including *Aromasin*<sup>®</sup> (exemestane tablets) and *Keytruda*, and clinical supplies of investigational drugs, to support the development and marketing of the entinostat therapy as a component of a combination drug regimen;
- our ability to successfully commercialize entinostat in the United States and abroad, whether alone or in collaboration with others; and
- our ability to enforce our intellectual property rights in and to entinostat.

If we fail to obtain regulatory approval for, or are unable to successfully commercialize, entinostat, we will have no other product candidates to rely on. In addition, we will not be able to generate product sales, which will have a material adverse effect on our business and our prospects.

***Our strategy of combining entinostat with immune checkpoint inhibitors is clinically untested and we may fail to show that the combination is safe and well tolerated and demonstrates additional clinical benefit from the combination.***

Preclinical studies conducted by us and others suggest a strong rationale for combining entinostat with immune checkpoint inhibitors to enhance the immune system's ability to detect and eliminate tumor cells. Our approach is to conduct Phase 1 and 2 clinical trials in patients with tumors that are known to be responsive to immune checkpoint inhibitors and assess both the safety and efficacy of the combination of entinostat plus a checkpoint inhibitor. However, we have not yet begun to clinically test our strategy of combining entinostat with immune checkpoint inhibitors, and therefore have not yet demonstrated the safety or the benefit of this combination in humans and we may be unable to establish a clinically meaningful benefit for patient without added toxicity.

***Although the NCI has entered into a Special Protocol Assessment, or SPA, agreement with the FDA relating to the pivotal Phase 3 clinical trial of entinostat for advanced HR+ breast cancer, this agreement does not guarantee any particular outcome with respect to regulatory review of the trial or any associated New Drug Application, or NDA, for entinostat.***

The protocol for the pivotal Phase 3 trial of entinostat in combination with *Aromasin* in advanced HR+ breast cancer was reviewed and agreed upon by the FDA under an SPA agreement with the NCI. The SPA agreement allows for FDA evaluation of whether a clinical trial protocol could form the primary basis of an efficacy claim in support of an NDA. The SPA is an agreement that a Phase 3 clinical trial's design, clinical endpoints, patient population and statistical analyses are sufficient to support the efficacy claim. Agreement on the SPA is not a guarantee of approval, and there is no assurance that the design of, or data collected from, the trial will be adequate to obtain the requisite regulatory approval. Further, obtaining clinical trial data meeting the clinical endpoints in satisfaction of the SPA does not guarantee approval. The SPA is not binding on the FDA if public health concerns unrecognized at the time the SPA was entered into become evident or other new scientific concerns regarding product safety or efficacy arise. In addition, upon written agreement of both the FDA and the NCI, the SPA may be changed, and the FDA retains significant latitude and discretion in interpreting the terms of the SPA and any resulting trial data. As a result, we do not know how the FDA will interpret the parties' respective commitments under the SPA, how it will interpret the data and results

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from the pivotal Phase 3 clinical trial, whether the FDA will require that we conduct or complete one or more additional clinical trials to support potential approval or whether entinostat will receive any regulatory approvals. ECOG-ACRIN, with sponsorship and funding support from the NCI, is conducting the pivotal Phase 3 clinical trial, which began enrollment in the second quarter of 2014.

***If the Phase 3 clinical trial of entinostat in combination with Aromasin in advanced HR+ breast cancer patients fails to demonstrate safety and efficacy to the satisfaction of regulatory authorities or does not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of entinostat.***

Before obtaining marketing approval from regulatory authorities for the sale of entinostat, we or our collaborators must conduct extensive trials to demonstrate the safety and efficacy of entinostat in humans. We have entered into an arrangement with ECOG-ACRIN to conduct the Phase 3 clinical trial of entinostat in combination with *Aromasin* in advanced HR+ breast cancer patients. The trial will measure two primary endpoints of progression-free survival, or PFS, and overall survival. Based on information received from ECOG-ACRIN to date, PFS data is expected no sooner than the second half of 2017 and overall survival data no sooner than the second half of 2019. If the Phase 3 clinical trial meets the PFS endpoint and the interim analysis of overall survival demonstrates a favorable trend, we expect to submit an NDA based on this data. However, if the trial does not meet the PFS endpoint, we will not be able to submit an NDA unless and until we receive data demonstrating that the primary endpoint for overall survival has been achieved. In addition, based on scientific advice from the European Medicines Agency, the current Phase 3 clinical trial is not likely to be sufficient to receive regulatory approval in Europe for entinostat to treat advanced HR+ breast cancer, and it is unclear whether we would be able to complete an alternate clinical trial that would be sufficient.

Despite the results reported in our Phase 2b clinical trial for entinostat in advanced estrogen receptor positive, or ER+, breast cancer, we do not know whether the Phase 3 clinical trial in advanced HR+ breast cancer will demonstrate adequate efficacy and safety to result in regulatory approval to market entinostat in any particular cancer indications or jurisdiction. Additionally, while we do not expect that there will be overlapping toxicities between entinostat and *Aromasin*, we cannot be certain that we will not observe these toxicities or unexpected side effects in the Phase 3 clinical trial.

Clinical testing is expensive and difficult to design and implement, can take many years to complete and is inherently uncertain as to the outcome. A failure of one or more trials can occur at any stage of testing. The outcome of preclinical studies and early clinical trials may not accurately predict the success of later trials, and interim results of a trial do not necessarily predict final results. For example, with the emergence of the new therapies such as *Faslodex*<sup>®</sup> (fulvestrant) and *Ibrance* (palbociclib), patients enrolled in the Phase 3 clinical trial may be different than those enrolled in our previous Phase 2b clinical trial in that they may have received *Faslodex* and *Ibrance* prior to our trial and therefore may respond differently to treatment with entinostat. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials.

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***The failure of ECOG-ACRIN to adequately perform its obligations and responsibilities in the conduct of the Phase 3 clinical trial or to meet expected deadlines could substantially harm our business because we may not obtain regulatory approval for entinostat in a timely manner, or at all.***

We have entered into an arrangement with ECOG-ACRIN, pursuant to which it, with sponsorship and funding support by the NCI, is conducting the Phase 3 clinical trial of entinostat in combination with *Aromasin* in advanced HR+ breast cancer patients. While we provide operational and logistical support for the trial, we have limited control of their activities. We cannot control whether or not ECOG-ACRIN will devote sufficient time and resources to the trial, including as a result of any reduction or delay in government funding or sponsorship of the activities of ECOG-ACRIN or the NCI. If ECOG-ACRIN does not successfully carry out its obligations and responsibilities or meet expected deadlines or if the quality or accuracy of the clinical data it obtains is compromised due to the failure to adhere to clinical protocols, regulatory requirements or for other reasons, the Phase 3 clinical trial may be extended, delayed or terminated, and we may not be able to obtain regulatory approval for, or successfully commercialize, entinostat. As a result, our results of operations and the commercial prospects for entinostat would be harmed, our costs could increase and our ability to generate revenues could be delayed.

Although the Phase 3 clinical trial is being conducted by ECOG-ACRIN, we are responsible for ensuring that each of our trials is conducted in accordance with the applicable protocol and legal, regulatory and scientific standards, and our reliance on ECOG-ACRIN does not relieve us of our regulatory responsibilities. We are required to comply with Good Clinical Practice, or GCP, which are regulations and guidelines enforced by the FDA, the Competent Authorities of the Member States of the European Economic Area and foreign regulatory authorities for any product in clinical development. Regulatory authorities enforce GCP through periodic inspections of trial sponsors, principal investigators and clinical trial sites. If we fail to comply with applicable GCP, the clinical data generated in our trials may be deemed unreliable and the FDA or foreign regulatory authorities may require us to perform additional trials before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our trials comply with GCP requirements. In addition, we must conduct our trials with products produced under cGMP requirements. Failure to comply with any of these regulations may require us to repeat preclinical and clinical trials, which would delay the regulatory development process.

***If there are delays in completing the Phase 3 clinical trial for entinostat in advanced HR+ breast cancer, we will be delayed in commercializing entinostat, our development costs may increase and our business may be harmed.***

The Phase 3 clinical trial of entinostat in combination with *Aromasin* in advanced HR+ breast cancer commenced in the second quarter of 2014, and ECOG-ACRIN expects to have PFS data from this trial no sooner than the second half of 2017. However, to date, ECOG-ACRIN's enrollment of patients in this trial has been slower than expected. We do not know whether this trial will need to be restructured, or will be completed on schedule or at all. Our product development costs will increase if we experience delays in clinical testing. Significant trial delays also could shorten any periods during which we may have the exclusive right to commercialize entinostat or allow our competitors to bring products to market before we do, which would impair our ability to successfully capitalize on entinostat and may harm our business, results of operations and prospects. Events which may result in a delay or unsuccessful completion of clinical development of entinostat include, among other things:

- failure of ECOG-ACRIN to timely identify and enroll patients in the Phase 3 clinical trial;

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- feedback from the FDA and foreign regulatory authorities, institutional review boards, or IRBs, or the data safety monitoring board, or results from clinical trials that might require modification to a clinical trial protocol;
- imposition of a clinical hold by the FDA or other regulatory authorities, a decision by the FDA, other regulatory authorities, IRBs or the company, or a recommendation by a data safety monitoring board to suspend or terminate trials at any time for safety issues or for any other reason;
- deviations from the trial protocol by clinical trial sites and investigators or failure to conduct the trial in accordance with regulatory requirements;
- failure of third parties, such as ECOG-ACRIN or contract research organizations, or CROs, to satisfy their contractual duties or meet expected deadlines;
- withdrawal of sponsorship of the NCI because of a failure of ECOG-ACRIN to meet certain performance metrics in the clinical trial;
- delays in the testing, validation, manufacturing and delivery of entinostat to the clinical trial sites;
- unexpectedly high rate of patients withdrawing consent or being lost to follow-up;
- delays caused by patients dropping out of a trial due to side effects or disease progression;
- unacceptable risk-benefit profile or unforeseen safety issues or adverse side effects;
- failure to demonstrate the efficacy of entinostat in this clinical trial;
- inability to identify and maintain a sufficient number of clinical trial sites, many of which may already be engaged in other clinical trial programs, including some that may be for the same indication;
- withdrawal of clinical trial sites from our clinical trials as a result of changing standards of care or the ineligibility of a site to participate in our trials; or
- changes in government regulations or administrative actions or lack of adequate funding to continue the trials.

An inability by us to timely complete clinical development could result in additional costs to us or impair our ability to generate product revenues or development, regulatory, commercialization and sales milestone payments and royalties on product sales.

***If we are or our collaborators are unable to enroll patients in clinical trials, these clinical trials may not be completed on a timely basis or at all.***

The timely completion of clinical trials largely depends on patient enrollment. Many factors affect patient enrollment, including:

- perception about the relative efficacy of entinostat versus other compounds in clinical development or commercially available;
- evolving standard of care in treating cancer patients with immune-oncology agents;

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- the size and nature of the patient population;
- the number and location of clinical trial sites enrolled;
- competition with other organizations or our own clinical trials for clinical trial sites or patients;
- the eligibility and exclusion criteria for the trial;
- the design of the trial;
- ability to obtain and maintain patient consents; and
- risk that enrolled subjects will drop out before completion.

As a result of the above factors, there is a risk that our or our collaborators' clinical trials may not be completed on a timely basis or at all.

***We are dependent on Merck, Genentech Inc., or Genentech, Ares Trading S.A., or Merck KGaA, and Pfizer, Inc., or Pfizer, and any future collaborators to perform satisfactorily under our agreements.***

Under the agreements with Merck, Genentech, Merck KGaA and Pfizer and any future collaborations, we will be dependent on our collaborators' performance of their responsibilities and their cooperation with us. Our collaborators may not perform their obligations under our agreements with them or otherwise cooperate with us. We cannot control whether our collaborators will devote the necessary resources to the activities contemplated by our collaborative agreements, nor can we control the timing of their performance. Our collaborators may choose to pursue existing or alternative technologies in preference to those being developed in collaboration with us. Disputes may arise between us and our collaborators that delay the development and commercialization of our product candidates, disputes that may be difficult and costly to resolve, or may not be resolved. In addition, a collaborator for the potential product may have the right to terminate the collaboration at its discretion and, for example, Merck has the right to terminate the Merck agreement for any reason after a specified advance notice period. Any termination may require us to seek a new collaborator, which we may not be able to do on a timely basis, if at all, or may require us to delay or scale back the commercialization efforts or spend additional money to complete the clinical trial. The occurrence of any of these events could adversely affect the commercialization of entinostat and materially harm our business.

If we are unable to enter into additional clinical collaborations with developers of immune checkpoint inhibitors or other combination therapies to explore the same or additional indications, the commercial potential of entinostat could be limited. Such collaborations are complex, and any potential discussions may not result in a definitive agreement for many reasons. For example, whether we reach a definitive agreement for a clinical collaboration will depend, among other things, upon our respective assessments of the other party's resources and expertise, the terms and conditions of the proposed collaboration, and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of our clinical trials, the potential market for the combination therapy, the costs and complexities of manufacturing and delivering the potential product to patients, the potential of competing products, and industry and market conditions generally.

***The actions of Kyowa Hakko Kirin Co., Ltd., or KHK, and any other current or future sublicensees could adversely affect our business.***

We currently sublicense entinostat to third parties for development and commercialization in certain foreign jurisdictions. Specifically, we have a sublicense agreement with KHK under which we granted KHK an exclusive sublicense to develop and commercialize entinostat in Japan and Korea. It is possible that any clinical trials conducted by KHK and other current or future sublicensees in their respective jurisdictions could have negative results, which in turn could have a material adverse affect on the development of entinostat for development and commercialization in the United States and the rest of the world.

***We may be required to relinquish important rights to and control over the development and commercialization of entinostat to our current or future collaborators.***

Our collaborations, including any future strategic collaborations we enter into, could subject us to a number of risks, including:

- we may be required to undertake the expenditure of substantial operational, financial and management resources;
- we may be required to issue equity securities that would dilute our existing stockholders' percentage of ownership;
- we may be required to assume substantial actual or contingent liabilities;
- we may not be able to control the amount and timing of resources that our strategic collaborators devote to the development or commercialization of our product candidates;
- strategic collaborators may delay clinical trials, provide insufficient funding, terminate a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new version of a product candidate for clinical testing;
- strategic collaborators may not pursue further development and commercialization of products resulting from the strategic collaboration arrangement or may elect to discontinue research and development programs;
- strategic collaborators may not commit adequate resources to the marketing and distribution of our product candidates, limiting our potential revenues from these products;
- disputes may arise between us and our strategic collaborators that result in the delay or termination of the research, development or commercialization of our product candidates or that result in costly litigation or arbitration that diverts management's attention and consumes resources;
- strategic collaborators may experience financial difficulties;
- strategic collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in a manner that could jeopardize or invalidate our proprietary information or expose us to potential litigation;
- business combinations or significant changes in a strategic collaborator's business strategy may also adversely affect a strategic collaborator's willingness or ability to complete its obligations under any arrangement;

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- strategic collaborators could decide to move forward with a competing product candidate developed either independently or in collaboration with others, including our competitors; and
- strategic collaborators could terminate the arrangement or allow it to expire, which would delay the development and may increase the cost of developing, our product candidates.

### ***We may explore strategic collaborations that may never materialize or may fail.***

We may, in the future, periodically explore a variety of possible strategic collaborations in an effort to gain access to additional product candidates or resources. At the current time, we cannot predict what form such a strategic collaboration might take. We are likely to face significant competition in seeking appropriate strategic collaborators, and strategic collaborations can be complicated and time consuming to negotiate and document. We may not be able to negotiate strategic collaborations on acceptable terms, or at all. We are unable to predict when, if ever, we will enter into any additional strategic collaborations because of the numerous risks and uncertainties associated with establishing them.

### ***The regulatory approval processes of the FDA and foreign regulatory authorities are lengthy, time-consuming and inherently unpredictable. Our inability to obtain regulatory approval for entinostat could harm our business.***

The time required to obtain approval by the FDA and foreign regulatory authorities is unpredictable, but typically takes many years following the commencement of preclinical studies and clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for entinostat or any other product candidate, and it is possible that we will never obtain regulatory approval for entinostat or any future product candidates.

Entinostat could fail to receive regulatory approval from the FDA or foreign regulatory authorities for many reasons, including but not limited to:

- failure to demonstrate that entinostat is safe and effective;
- failure of clinical trials to meet the primary endpoints or level of statistical significance required for approval;
- failure to demonstrate that entinostat's clinical and other benefits outweigh any safety risks;
- disagreement with our interpretation of data from preclinical studies or clinical trials;
- disagreement with the design or implementation of our or our collaborators' trials;
- the insufficiency of data collected from trials of entinostat to support the submission and filing of an NDA or other submission or to obtain regulatory approval;
- failure to obtain approval of the manufacturing and testing processes or facilities of third-party contract manufacturers with whom we contract for clinical and commercial supplies;
- receipt of a negative opinion from an advisory committee due to a change in the standard of care regardless of the outcome of the clinical trials; or

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- changes in the approval policies or regulations that render our preclinical and clinical data insufficient for approval.

The FDA or foreign regulatory authorities may require more information, including additional preclinical or clinical data, to support approval, which may delay or prevent approval and our commercialization plans, or may cause us to decide to abandon our development program. Even if we were to obtain approval, regulatory authorities may approve entinostat for a more limited patient population than we request, may grant approval contingent on the performance of costly post-marketing trials, may impose a Risk Evaluation and Mitigation Strategy, or REMS, or foreign regulatory authorities may require the establishment or modification of a similar strategy that may, for instance, restrict distribution of entinostat and impose burdensome implementation requirements on us, or may approve it with a label that does not include the labeling claims necessary or desirable for the successful commercialization of entinostat, all of which could limit our ability to successfully commercialize our drug products.

***We are not developing entinostat as a monotherapy. A shortage in the supply of Aromasin, Keytruda, atezolizumab or other drugs used in combination with entinostat or cessation of development efforts for investigational agents being studied with entinostat could increase our development costs and adversely affect our ability to commercialize entinostat, and any unexpected adverse events with any of the drugs used in combination with entinostat could halt or delay development of entinostat.***

Cancer drugs have from time to time been in short supply and, because many or all of these cancer drugs are also widely used in cancer treatment currently, we will compete with a broad range of healthcare providers and other companies for availability of those drugs. Any shortage of *Aromasin*, *Keytruda*, atezolizumab, avelumab or other drugs that we are testing in combination with entinostat could adversely affect our ability to timely conduct the Phase 3 clinical trial in advanced HR+ breast cancer and the Phase 1b/2 clinical trials in NSCLC, melanoma, ovarian cancer and TNBC, and if entinostat receives regulatory approval, to commercialize entinostat for treatment of advanced HR+ breast cancer, NSCLC, melanoma, ovarian cancer or TNBC. A shortage of supply may also result in an increase, which could be significant, in our costs of procuring *Aromasin*.

Additionally, because entinostat is being developed for use in combination with other cancer treatments, the development of entinostat may be delayed or halted if unexpected adverse events occurring in patients are attributed to entinostat. Likewise, new adverse events emerging from commercialized or development stage drugs being administered with entinostat may limit or halt the potential of such combinations.

***Entinostat may not achieve adequate market acceptance among physicians, patients, healthcare payors and others in the medical community to be commercially successful.***

Even if entinostat receives regulatory approval, it may not gain sufficient market acceptance among physicians, patients, healthcare payors and others in the medical community. Our commercial success also depends on coverage and adequate reimbursement of entinostat by third-party payors, including government payors, which may be difficult or time-consuming to obtain, may be limited in scope and may not be obtained in all jurisdictions in which we may seek to market entinostat. The degree of market acceptance of entinostat will depend on a number of factors, including:

- the efficacy and safety profile as demonstrated in trials;
- the timing of market introduction as well as competitive products;



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- the clinical indications for which entinostat is approved;
- acceptance of entinostat as a safe and effective treatment by physicians, clinics and patients;
- the potential and perceived advantages of entinostat over alternative treatments;
- the cost of treatment in relation to alternative treatments;
- the availability of coverage and adequate reimbursement and pricing by third parties and government authorities;
- relative convenience and ease of administration;
- the frequency and severity of adverse events;
- the effectiveness of sales and marketing efforts; and
- unfavorable publicity relating to entinostat.

If entinostat is approved but does not achieve an adequate level of acceptance by physicians, hospitals, healthcare payors and patients, we may not generate sufficient revenue to become or remain profitable.

***We rely on third-party suppliers to manufacture and distribute our clinical drug supplies for entinostat, we intend to rely on third parties for commercial manufacturing and distribution of entinostat and we expect to rely on third parties for manufacturing and distribution of preclinical, clinical and commercial supplies of any future product candidates.***

We do not currently have, nor do we plan to acquire, the infrastructure or capability to manufacture or distribute preclinical, clinical or commercial quantities of drug substance or drug product, including entinostat. While we expect to continue to depend on third-party contract manufacturers for the foreseeable future, we do not have direct control over the ability of these manufacturers to maintain adequate manufacturing capacity and capabilities to serve our needs, including quality control, quality assurance and qualified personnel. We are dependent on our contract manufacturers for compliance with cGMPs and for manufacture of both active drug substances and finished drug products. Facilities used by our contract manufacturers to manufacture drug substance and drug product for commercial sale must be approved by the FDA or other relevant foreign regulatory agencies pursuant to inspections that will be conducted after we submit our NDA or relevant foreign regulatory submission to the applicable regulatory agency. If our contract manufacturers cannot successfully manufacture materials that conform to our specifications and/or the strict regulatory requirements of the FDA or foreign regulatory agencies, they will not be able to secure and/or maintain regulatory approval for their manufacturing facilities. Furthermore, these contract manufacturers are engaged with other companies to supply and/or manufacture materials or products for such companies, which also exposes our contract manufacturers to regulatory risks for the production of such materials and products. As a result, failure to meet the regulatory requirements for the production of those materials and products may also affect the regulatory clearance of a contract manufacturers' facility. If the FDA or a foreign regulatory agency does not approve these facilities for the manufacture of entinostat, or if it withdraws its approval in the future, we may need to find alternative manufacturing facilities, which would impede or delay our ability to develop, obtain regulatory approval for or market entinostat, if approved.

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***A breakthrough therapy designation by the FDA for entinostat may not lead to a faster development or regulatory review or approval process, and it does not necessarily increase the likelihood that entinostat will receive marketing approval.***

We have received breakthrough therapy designation for entinostat. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints. Entinostat when used in combination with *Aromasin* received a breakthrough therapy designation from the FDA based on the overall survival results from our completed Phase 2b clinical trial in advanced HR+ breast cancer. The trial showed statistically significant improvements in PFS, the primary endpoint, and overall survival, an exploratory endpoint. Receipt of a breakthrough therapy designation for a drug candidate may not result in a faster development process or review compared to drugs considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, the FDA may later decide that entinostat no longer meets the conditions for qualification or decide that the time period for FDA review will not be shortened. For instance, if results from the Phase 3 clinical trial do not confirm the improvements in PFS or overall survival observed in our Phase 2b clinical trial, the FDA may rescind our breakthrough therapy designation.

***Even if entinostat receives regulatory approval, it may still face future development and regulatory difficulties.***

Even if we obtain regulatory approval for entinostat, it would be subject to ongoing requirements by the FDA and foreign regulatory authorities governing the manufacture, quality control, further development, labeling, packaging, storage, distribution, safety surveillance, import, export, advertising, promotion, recordkeeping and reporting of safety and other post-market information. The FDA and foreign regulatory authorities will continue to closely monitor the safety profile of any product even after approval. If the FDA or foreign regulatory authorities become aware of new safety information after approval of entinostat, they may require labeling changes or establishment of a REMS or similar strategy, impose significant restrictions on its indicated uses or marketing, or impose ongoing requirements for potentially costly post-approval studies or post-market surveillance.

In addition, manufacturers of drug products and their facilities are subject to continual review and periodic inspections by the FDA and other regulatory authorities for compliance with cGMP regulations and standards. If we or a regulatory agency discover previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facility where the product is manufactured, a regulatory agency may impose restrictions on that product, the manufacturing facility or us, including withdrawal of the product from the market or suspension of manufacturing, or we may recall the product from distribution. If we, or our third-party contract manufacturers, fail to comply with applicable regulatory requirements, a regulatory agency may:

- issue warning letters or untitled letters;
- mandate modifications to promotional materials or require us to provide corrective information to healthcare practitioners;
- require us to enter into a consent decree, which can include imposition of various fines, reimbursements for inspection costs, required due dates for specific actions and penalties for noncompliance;

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- seek an injunction or impose civil or criminal penalties or monetary fines;
- suspend or withdraw regulatory approval;
- suspend any ongoing clinical trials;
- refuse to approve pending applications or supplements to applications filed by us;
- suspend or impose restrictions on operations, including costly new manufacturing requirements; or
- seize or detain products, or refuse to permit the import or export of products.

The occurrence of any event or penalty described above may inhibit our ability to commercialize and generate revenue from the sale of entinostat.

Advertising and promotion of any product candidate that obtains approval in the United States will be heavily scrutinized by the FDA, the Department of Justice, the Department of Health and Human Services' Office of Inspector General, state attorneys general, members of Congress, other government agencies and the public. Violations, including promotion of our products for unapproved (or off-label) uses, may be subject to enforcement letters, inquiries and investigations, and civil and criminal sanctions by the government. Additionally, foreign regulatory authorities will heavily scrutinize advertising and promotion of any product candidate that obtains approval in their respective jurisdictions.

In the United States, engaging in the impermissible promotion of our products for off-label uses can also subject us to false claims litigation under federal and state statutes, which can lead to administrative, civil and criminal penalties, damages, monetary fines, disgorgement, individual imprisonment, exclusion from participation in Medicare, Medicaid and other federal healthcare programs, curtailment or restructuring of our operations and agreements that materially restrict the manner in which a company promotes or distributes drug products. These false claims statutes include, but are not limited to, the federal civil False Claims Act, which allows any individual to bring a lawsuit against an individual or entity, including a pharmaceutical or biopharmaceutical company on behalf of the federal government alleging the knowing submission of false or fraudulent claims, or causing to present such false or fraudulent claims, for payment or approval by a federal program such as Medicare or Medicaid. These False Claims Act lawsuits against pharmaceutical and biopharmaceutical companies have increased significantly in number and breadth, leading to several substantial civil and criminal settlements regarding certain sales practices, including promoting off-label drug uses involving fines in excess of \$1.0 billion. This growth in litigation has increased the risk that a pharmaceutical company will have to defend a false claim action, pay settlement fines or restitution, agree to comply with burdensome reporting and compliance obligations, and be excluded from participation in Medicare, Medicaid and other federal and state healthcare programs. If we do not lawfully promote our approved products, we may become subject to such litigation, which have a material adverse effect on our business, financial condition and results of operations.

***Entinostat may cause undesirable side effects or have other properties that could delay or prevent its regulatory approval, limit the commercial scope of its approved use, or result in significant negative consequences following any marketing approval.***

Undesirable side effects caused by entinostat could cause the interruption, delay or halting of the trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other foreign regulatory authorities. In our Phase 2b clinical trial of entinostat in advanced

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HR+ breast cancer, the most significant adverse events were fatigue, gastrointestinal disturbances and hematologic toxicities, all of which occurred in higher numbers than in the placebo group. Results of the clinical trials may reveal a high and unacceptable severity and prevalence of side effects or other unexpected characteristics. In such event, the trials could be suspended or terminated, or the FDA or foreign regulatory authorities could deny approval of entinostat for any or all targeted indications. Drug-related side effects could affect patient recruitment or the ability of enrolled subjects to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects.

Additionally, if entinostat receives marketing approval, and we or others later identify undesirable side effects, a number of potentially significant negative consequences could result, including:

- we may suspend marketing of, or withdraw or recall, entinostat;
- regulatory authorities may withdraw approvals of entinostat;
- regulatory authorities may require additional warnings on the entinostat label;
- the FDA or other regulatory authorities may issue safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings about entinostat;
- the FDA may require the establishment or modification of a REMS or foreign regulatory authorities may require the establishment or modification of a similar strategy that may, for instance, restrict distribution of entinostat and impose burdensome implementation requirements on us;
- regulatory authorities may require that we conduct post-marketing studies;
- we could be sued and held liable for harm caused to subjects or patients; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of entinostat for use in targeted indications or otherwise materially harm its commercial prospects, if approved, and could harm our business, results of operations and prospects.

### ***Our failure to obtain regulatory approval in international jurisdictions would prevent us from marketing entinostat outside the United States.***

In order to market and sell entinostat in other jurisdictions, we must obtain separate marketing approvals for those jurisdictions and comply with their numerous and varying regulatory requirements. We may not obtain foreign regulatory approvals on a timely basis, or at all. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The regulatory approval process outside the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside the United States, product reimbursement approvals must be secured before regulatory authorities will approve the product for sale in that country. Obtaining foreign regulatory approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of entinostat in certain countries. Further, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries and regulatory approval in one country does not ensure approval in any other country, while a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory approval process in others. For example, based on scientific advice

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from the European Medicines Agency, the current Phase 3 clinical trial is likely to be insufficient to receive regulatory approval in Europe for entinostat to treat advanced HR+ breast cancer. Our failure to obtain approval of entinostat by foreign regulatory authorities may negatively impact the commercial prospects of entinostat and our business prospects could decline. Also, if regulatory approval for entinostat is granted, it may be later withdrawn. If we fail to comply with the regulatory requirements in international jurisdictions and receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential for entinostat will be harmed and our business may be adversely affected.

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

The pharmacologic treatment of NSCLC, melanoma, ovarian cancer and TNBC patients includes chemotherapies and therapies targeting specific gene mutations. More recently, immune checkpoint inhibitors have been approved for NSCLC and melanoma and are under investigation for ovarian cancer and TNBC. There are currently no approved combination immuno-oncology therapies although numerous drugs are undergoing active clinical investigation. We believe that if entinostat in combination with either *Keytruda*, atezolizumab or avelumab were approved for the treatment of NSCLC, melanoma, TNBC or ovarian cancer, it would face competition from these standard-of-care approaches and other investigational drugs being tested in combination with any of these approaches.

If entinostat in combination with *Aromasin* were approved for treatment of advanced HR+ breast cancer, it could face competition from other therapies recently approved for use in combination with hormone therapy in this population, including *Ibrance*, developed by Pfizer, *Afinitor*, developed by Novartis, and other therapies currently in Phase 3 clinical development such as abemaciclib, being developed by Eli Lilly and Company, and ribociclib and buparlisib, both of which are being developed by Novartis.

Many of our existing or potential competitors have substantially greater financial, technical and human resources than we do and significantly greater experience in the discovery and development of product candidates, obtaining FDA and other regulatory approvals of products and the commercialization of those products. Our competitors may be more successful than us in obtaining FDA approval for drugs and achieving widespread market acceptance. Our competitors' drugs may be more effective or more effectively marketed and sold than any drug we may commercialize and may render our product candidates obsolete or non-competitive before we can recover the expenses of developing and commercializing any of our product candidates. Our competitors may also obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours. We anticipate that we will face intense and increasing competition as new drugs enter the market and advanced technologies become available.

We believe that our ability to successfully compete will depend on, among other things:

- the efficacy and safety profile of entinostat relative to marketed products and product candidates in development by third parties;
- the time it takes for entinostat to complete clinical development and receive marketing approval;
- our ability to commercialize entinostat if it receives regulatory approval;
- the price of entinostat, including in comparison to branded or generic competitors;

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- whether coverage and adequate levels of reimbursement are available under private and governmental health insurance plans, including Medicare;
- our ability to manufacture commercial quantities of entinostat if it receives regulatory approval; and
- acceptance of entinostat in combination with *Aromasin*, *Keytruda* and other drugs by physicians and other healthcare providers.

Even if we obtain regulatory approval of entinostat, the availability and price of our competitors' products could limit the demand and the price we are able to charge for entinostat. We may not be able to implement our business plan if the acceptance of entinostat is inhibited by price competition or the reluctance of physicians to switch from existing methods of treatment to entinostat, or if physicians switch to other new drug or biologic products or choose to reserve entinostat for use in limited circumstances.

### ***Adverse events in the field of immuno-oncology could damage public perception of entinostat and negatively affect our business.***

The commercial success of entinostat will depend in part on public acceptance of the use of cancer immunotherapies. Adverse events in clinical trials of entinostat or in clinical trials of others developing similar products and the resulting publicity, as well as any other adverse events in the field of immuno-oncology that may occur in the future, could result in a decrease in demand for any products that we may develop. If public perception is influenced by claims that the use of cancer immunotherapies is unsafe, entinostat may not be accepted by the general public or the medical community.

Future adverse events in immuno-oncology or the biopharmaceutical industry could also result in greater governmental regulation, stricter labeling requirements and potential regulatory delays in the testing or approvals of our products. Any increased scrutiny could delay or increase the costs of obtaining regulatory approval for our product candidates.

### ***We must attract and retain additional highly skilled employees in order to succeed.***

To succeed, we must recruit, retain, manage and motivate qualified clinical, scientific, technical and management personnel and we face significant competition for experienced personnel. If we do not succeed in attracting and retaining qualified personnel, particularly at the management level, it could adversely affect our ability to execute our business plan and harm our operating results. In particular, the loss of one or more of our executive officers could be detrimental to us if we cannot recruit suitable replacements in a timely manner. The competition for qualified personnel in the pharmaceutical industry is intense and as a result, we may be unable to continue to attract and retain qualified personnel necessary for the development of our business or to recruit suitable replacement personnel.

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

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***Even if we commercialize entinostat, it or any other product candidates that we develop may become subject to unfavorable pricing regulations or third-party coverage or reimbursement practices, which could harm our business.***

Our ability to successfully commercialize entinostat, or any other product candidates that we develop, will depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from government healthcare programs, private health insurers, managed care plans and other organizations. Government authorities and other third-party payors, such as private health insurers and health maintenance organizations, determine which medications they will cover and establish reimbursement levels. Government authorities and other third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that coverage and reimbursement will be available for any product that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Limitation on coverage and reimbursement may impact the demand for, or the price of, and our ability to successfully commercialize entinostat or any other product candidates that we develop.

There may be significant delays in obtaining coverage and reimbursement for newly approved drugs, and coverage may be more limited than the indications for which the drug is approved by the FDA or foreign regulatory authorities. Moreover, eligibility for coverage and reimbursement does not imply that a drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution expenses. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may only be temporary. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States.

Private payors often follow the Centers for Medicare and Medicaid Services' decisions regarding coverage and reimbursement to a substantial degree. However, one payor's determination to provide coverage for a drug product does not assure that other payors will also provide coverage for the drug product. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. Our inability to promptly obtain coverage and adequate reimbursement rates from both government-funded and private payors for any approved products that we develop could have an adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition.

The regulations that govern marketing approvals, coverage and reimbursement for new drug products vary widely from country to country. Current and future legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we may obtain marketing

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approval for entinostat in a particular country, but be subject to price regulations that delay our commercial launch of the product, possibly for lengthy time periods, which could negatively impact the revenues we generate from the sale of entinostat in that particular country. Adverse pricing limitations may hinder our ability to recoup our investment even if entinostat obtains marketing approval.

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

***We do not currently have any sales, marketing or distribution experience or infrastructure.***

In order to market entinostat or any other approved product candidate in the future, we must build our sales, marketing, managerial and other non-technical capabilities or make arrangements with third parties to perform these services, as we do not presently have such capabilities. To develop our internal sales, distribution and marketing capabilities, we would have to invest significant amounts of financial and management resources in the future. For drugs where we decide to perform sales, marketing and distribution functions ourselves, we could face a number of challenges, including that:

- we may not be able to attract and build a significant marketing or sales force;
- the cost of establishing, training and providing regulatory oversight for a marketing or sales force may not be justifiable in light of the revenues generated by any particular product;
- our direct or indirect sales and marketing efforts may not be successful; and
- there are significant legal and regulatory risks in drug marketing and sales that we have never faced, and any failure to comply with all legal and regulatory requirements for sales, marketing and distribution could result in enforcement action by the FDA or other authorities that could jeopardize our ability to market the product or could subject us to substantial liability.

Alternatively, we may rely on third parties to launch and market our drug candidates, if approved. We may have limited or no control over the sales, marketing and distribution activities of these third parties and our future revenue may depend on the success of these third parties. Additionally, if these third parties fail to comply with all applicable regulatory requirements, the FDA could take enforcement action that could jeopardize our ability to market the drug candidate.

***Current and future legislation may increase the difficulty and cost for us to commercialize entinostat and affect the prices we may obtain.***

The United States and many foreign jurisdictions have enacted or proposed legislative and regulatory changes affecting the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidate for which we obtain marketing approval.

For example, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or, collectively, the Affordable Care Act. Among other cost containment measures, the Affordable Care Act established an annual,



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nondeductible fee on any entity that manufactures or imports branded prescription drugs and biologic agents, a Medicare Part D coverage gap discount program, and a formula that increased the rebates a manufacturer must pay under the Medicaid Drug Rebate Program.

Other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. For example, in August 2011, the President signed into law the Budget Control Act of 2011, which, among other things, created the Joint Select Committee on Deficit Reduction to recommend to Congress proposals in spending reductions. The Joint Select Committee on Deficit Reduction did not agree upon a targeted deficit reduction of at least \$1.2 trillion for fiscal years 2012 through 2021, triggering the Affordable Care Act's automatic reduction to several government programs. This included aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, effective as of 2013. Further legislation has extended the 2% reduction to 2024. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several types of providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

We expect that the Affordable Care Act, as well as other current or future healthcare reform measures may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved product. This could seriously harm our future revenues. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our products.

### ***Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of entinostat.***

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

- decreased demand for entinostat;
- termination of clinical trial sites or entire trial programs;
- injury to our reputation and significant negative media attention;
- withdrawal of trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial subjects or patients;
- diversion of management and scientific resources from our business operations; and
- the inability to commercialize any products that we may develop.

While we currently hold trial liability insurance coverage consistent with industry standards, this may not adequately cover all liabilities that we may incur. We also may not be able to maintain

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insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise in the future. We intend to expand our insurance coverage for products to include the sale of commercial products if we obtain marketing approval for entinostat, but we may be unable to obtain commercially reasonable product liability insurance. A successful product liability claim or series of claims brought against us, particularly if judgments exceed our insurance coverage, could decrease our cash and adversely affect our business and financial condition.

***Our relationships with customers and third-party payors will be subject to applicable anti-kickback, fraud and abuse, transparency and other healthcare laws and regulations as well as privacy and data security laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm, fines, exclusion from participation in government healthcare programs, curtailments or restrictions of our operations, administrative burdens and diminished profits and future earnings.***

Healthcare providers, physicians and third-party payors play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our future arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute our products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include, but are not limited to, the following:

- the federal Anti-Kickback Statute prohibits persons from, among other things, knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, the referral of an individual for the furnishing or arranging for the furnishing, or the purchase, lease or order, or arranging for or recommending purchase, lease or order, or any good or service for which payment may be made under a federal healthcare program such as Medicare and Medicaid;
- the federal false claims and civil monetary penalties laws, including the federal civil False Claims Act, imposes criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the federal Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations, or HIPAA, imposes civil and criminal liability for, among other things, knowingly and willfully executing a scheme to defraud any healthcare benefit program, knowingly and willfully embezzling or stealing from a health care benefit program, willfully obstructing a criminal investigation of a health care offense, knowingly and willfully making false statements relating to healthcare matters, or knowingly obtaining or disclosing individually identifiable health information maintained by a HIPAA-covered entity in a manner that is not authorized or permitted by HIPAA;
- HIPAA also imposes obligations on certain covered entity health care providers, health plans and health care clearinghouses as well as their business associates that perform certain services involving the use or disclosure of individually identifiable health information with respect to safeguarding the privacy, security and transmission of individually identifiable health information;

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- the federal Open Payments program, created as part of the Physician Payments Sunshine Act under Section 6002 of the Affordable Care Act and its implementing regulations, requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program to report annually to the U.S. Department of Health and Human Services information related to “payments or other transfers of value” made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals and applicable manufacturers and applicable group purchasing organizations to report annually to the U.S. Department of Health and Human Services ownership and investment interests held by physicians (as defined above) and their immediate family members; and
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; state and foreign laws that require pharmaceutical companies to comply with the pharmaceutical industry’s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers; state and foreign laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; state and foreign laws that govern the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts; and federal, state, and foreign laws that govern the privacy and security of other personal information, including federal and state consumer protection laws, state data security laws, and data breach notification laws (a data breach affecting sensitive personal information, including health information, could result in significant legal and financial exposure and reputational damages).

Efforts to ensure that our business arrangements with third parties and our business generally, will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law interpreting applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, contractual damages, reputational harm, and the curtailment or restructuring of our operations. Defending against any such actions can be costly, time-consuming and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired. Further, if any physician or other healthcare provider or entity with whom we expect to do business is found not to be in compliance with applicable laws, that person or entity may be subject to criminal, civil or administrative sanctions, including exclusions from government-funded healthcare programs.

## Risks Related to Intellectual Property

*If we are unable to obtain or protect intellectual property rights, we may not be able to compete effectively in our market.*

Our success depends in significant part on our and our licensors' and licensees' ability to establish, maintain and protect patents and other intellectual property rights and operate without infringing the intellectual property rights of others. We have filed patent applications both in the United States and in foreign jurisdictions to obtain patent rights to inventions we have discovered. We have also licensed from third parties rights to patent portfolios. Some of these licenses give us the right to prepare, file and prosecute patent applications and maintain and enforce patents we have licensed, and other licenses may not give us such rights.

The patent prosecution process is expensive and time-consuming, and we and our current or future licensors and licensees may not be able to prepare, file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we or our licensors or licensees will fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection on them. Moreover, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology that we license from or license to third parties and are reliant on our licensors or licensees. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. If our current or future licensors or licensees fail to establish, maintain or protect such patents and other intellectual property rights, such rights may be reduced or eliminated. If our licensors or licensees are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our and our current or future licensors' or licensees' patent rights are highly uncertain. Our and our licensors' or licensees' pending and future patent applications may not result in patents being issued which protect our technology or products, in whole or in part, or which effectively prevent others from commercializing competitive technologies and products. The patent examination process may require us or our licensors or licensees to narrow the scope of the claims of our or our licensors' or licensees' pending and future patent applications, which may limit the scope of patent protection that may be obtained. It is possible that third parties with products that are very similar to ours will circumvent our or our licensors' or licensees' patents by means of alternate designs or processes. We cannot be certain that we are the first to invent the inventions covered by pending patent applications and, if we are not, we may be subject to priority disputes. We may be required to disclaim part or all of the term of certain patents or all of the term of certain patent applications. There may be prior art of which we are not aware that may affect the validity or enforceability of a patent claim. There also may be prior art of which we are aware, but which we do not believe affects the validity or enforceability of a claim, which may, nonetheless, ultimately be found to affect the validity or enforceability of a claim. No assurance can be given that if challenged, our patents would be declared by a court to be valid or enforceable or that even if found valid and enforceable, a competitor's technology or product would be found by a court to infringe our patents. We may analyze patents or patent applications of our competitors that we believe are relevant to our activities, and consider that we are free to operate in relation to our product candidate, but our competitors may achieve issued claims, including in patents

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we consider to be unrelated, which block our efforts or may potentially result in our product candidate or our activities infringing such claims. The possibility exists that others will develop products which have the same effect as our products on an independent basis which do not infringe our patents or other intellectual property rights, or will design around the claims of patents that we have had issued that cover our products. Our and our licensors' or licensees' patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications, and then only to the extent the issued claims cover the technology.

Furthermore, given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Entinostat composition of matter U.S. Patent RE39,754, which we licensed from Bayer, covers the chemical entity of entinostat and any crystalline or non-crystalline form of entinostat and expires in 2017. We expect to seek extensions of patent terms where these are available in any countries where we are prosecuting patents. This includes in the United States under the Drug Price Competition and Patent Term Restoration Act of 1984, which permits a patent term extension of up to five years beyond the expiration of the patent. However, the applicable authorities, including the FDA in the United States, and any equivalent regulatory authorities in other countries, may not agree with our assessment of whether such extensions are available, and may refuse to grant extensions to our patents, or may grant more limited extensions than we request. If this occurs, our competitors may take advantage of our investment in development and trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case. Even if we submit the NDA before the expiration of U.S. Patent RE39,754 and are successful in obtaining an extension of the term of U.S. Patent RE39,754 based on FDA regulatory delays, such extension will only extend the term of RE39,754 for a few additional years (up to a maximum of five additional years for patent claims covering a new chemical entity).

The portfolio we licensed from Bayer also includes U.S. Patent 7,973,166, or the '166 patent, which covers a crystalline polymorph of entinostat which is referred to as crystalline polymorph B, the crystalline polymorph used in the clinical development of entinostat. Many compounds can exist in different crystalline forms. A compound which in the solid state may exhibit multiple different crystalline forms is called polymorphic, and each crystalline form of the same chemical compound is termed a polymorph. A new crystalline form of a compound may arise, for example, due to a change in the chemical process or the introduction of an impurity. Such new crystalline forms may be patented. The '166 patent expires in 2029. On March 7, 2014, our licensor Bayer applied for reissue of the '166 patent. The reissue application seeks to add three inventors not originally listed on the '166 patent. The reissue application does not seek to amend the claims issued in the '166 patent. On April 28, 2015, the USPTO re-issued the '166 patent as U.S. patent RE45,499. RE45,499 reissued with the same claims originally issued in the '166 patent and the list of inventors on RE45,499 now lists the additional three inventors that were not included on the '166 patent. The '166 patent has now been surrendered in favor of RE45,499. RE45,499 has the same term as the initial term of the '166 patent, which expires in 2029. After expiry of RE39,754 in 2017, a competitor may develop a competing polymorphic form other than based on polymorph B, which could compete with polymorph B.

In spite of our efforts and efforts of our licensor, we may not be successful in defending the validity of the claims of the RE45,499 reissue patent or any of its foreign counterparts. If the claims of the '166 patent or any of its counterparts are found to be invalid by a competent court, we may not be

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able to effectively block entry of generic versions of our entinostat crystalline polymorph B candidate products into markets where the crystalline polymorph B patent claims are found to be invalid.

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

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

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

The requirements for patentability may differ in certain countries, particularly developing countries. For example, unlike other countries, China has a heightened requirement for patentability, and specifically requires a detailed description of medical uses of a claimed drug. In India, unlike the United States, there is no link between regulatory approval of a drug and its patent status. Furthermore, generic drug manufacturers or other competitors may challenge the scope, validity or enforceability of our or our licensors' patents, requiring us or our licensors to engage in complex, lengthy and costly litigation or other proceedings. Generic drug manufacturers may develop, seek approval for, and launch generic versions of our products. In addition to India, certain countries in Europe and developing countries, including China, have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In those countries, we and our licensors may have limited remedies if patents are infringed or if we or our licensors are compelled to grant a license to a third party, which could materially diminish the value of those patents. This could limit our potential revenue opportunities. Accordingly, our and our licensors' efforts to enforce intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we own or license.

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***If we breach our license agreement with Bayer related to entinostat or if the license agreement is otherwise terminated, we could lose the ability to continue the development and commercialization of entinostat.***

Our commercial success depends upon our ability to develop, manufacture, market and sell entinostat. In March 2007, we entered into a license, development and commercialization agreement, or the Bayer license agreement, with Bayer pursuant to which we obtained a worldwide, exclusive license to develop and commercialize entinostat and any other products containing the same active ingredient. The Bayer license agreement, as amended, permits us to use entinostat or other licensed products under the Bayer license agreement for the treatment of any human disease, and we are obligated to use commercially reasonable efforts to develop, manufacture and commercialize licensed products for all commercially reasonable indications.

We are obligated to pay Bayer up to approximately \$50 million in the aggregate upon obtaining certain milestones in the development and marketing approval of entinostat, assuming that we pursue at least two different indications for entinostat or any other licensed product under the Bayer license agreement. We are also obligated to pay Bayer \$100 million in aggregate sales milestones, and a tiered, single-digit royalty on net sales by us, our affiliates and sublicensees of entinostat and any other licensed products under the Bayer license agreement. We are obligated to pay Bayer these royalties on a country-by-country basis for the life of the relevant licensed patents covering such product or 15 years after the first commercial sale of such product in such country, whichever is longer. We cannot determine the date on which our royalty payment obligations to Bayer would expire because no commercial sales of entinostat have occurred and the last-to-expire relevant patent covering entinostat in a given country may change in the future.

The Bayer license agreement will remain in effect until the expiration of our royalty obligations under the agreement in all countries. Either party may terminate the Bayer license agreement in its entirety or with respect to certain countries in the event of an uncured material breach by the other party. Either party may terminate the Bayer license agreement if voluntary or involuntary bankruptcy proceedings are instituted against the other party, if the other party makes an assignment for the benefit of creditors, or upon the occurrence of other specific events relating to the insolvency or dissolution of the other party. Bayer may terminate the Bayer license agreement if we seek to revoke or challenge the validity of any patent licensed to us by Bayer under the Bayer license agreement or if we procure or assist a third party to take any such action.

If the Bayer license agreement is terminated, we would not be able to develop, manufacture, market or sell entinostat and would result in our having to negotiate a new or reinstated agreement, which may not be available to us on equally favorable terms, or at all.

***Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect entinostat.***

As is the case with other biotechnology and pharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involve technological and legal complexity, and obtaining and enforcing biopharmaceutical patents is costly, time-consuming, and inherently uncertain. The Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our and our licensors' ability to obtain patents in the future, this

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combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by Congress, the federal courts, and the U.S. Patent and Trademark Office, or USPTO, the laws and regulations governing patents could change in unpredictable ways that may weaken our and our licensors' ability to obtain new patents or to enforce existing patents and patents we and our licensors or collaborators may obtain in the future. In view of recent developments in U.S. patent laws, in spite of our efforts and the efforts of our licensors, we may face difficulties in obtaining allowance of our biomarker based patient selection patent claims or if we are successful in obtaining allowance of our biomarker based patient selection claims, we or our licensor may be unsuccessful in defending the validity of such claims if challenged before a competent court.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our and our licensors' patent applications and the enforcement or defense of our or our licensors' issued patents. On September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted and may also affect patent litigation. The USPTO recently developed new regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, and in particular, the first to file provisions, only became effective on March 16, 2013. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our or our licensors' patent applications and the enforcement or defense of our or our licensors' issued patents, all of which could harm our business and financial condition.

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

Periodic maintenance and annuity fees on any issued patent are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If we or our licensors fail to maintain the patents and patent applications covering entinostat, our competitors might be able to enter the market, which would harm our business.

***We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful and have an adverse effect on the success of our business and on our stock price.***

Third parties may infringe our or our licensors' patents or misappropriate or otherwise violate our or our licensors' intellectual property rights. In the future, we or our licensors may initiate legal proceedings to enforce or defend our or our licensors' intellectual property rights, to protect our or our



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licensors' trade secrets or to determine the validity or scope of intellectual property rights we own or control. Also, third parties may initiate legal proceedings against us or our licensors to challenge the validity or scope of intellectual property rights we own or control. The proceedings can be expensive and time-consuming and many of our or our licensors' adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we or our licensors can. Accordingly, despite our or our licensors' efforts, we or our licensors may not be able to prevent third parties from infringing upon or misappropriating intellectual property rights we own or control, particularly in countries where the laws may not protect our rights as fully as in the United States. Litigation could result in substantial costs and diversion of management resources, which could harm our business and financial results. In addition, in an infringement proceeding, a court may decide that a patent owned by or licensed to us is invalid or unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our or our licensors' patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of our or our licensors' patents at risk of being invalidated, held unenforceable or interpreted narrowly.

Third-party preissuance submission of prior art to the USPTO, or opposition, derivation, reexamination, *inter partes* review or interference proceedings, or other preissuance or post-grant proceedings in the United States or other jurisdictions provoked by third parties or brought by us or our licensors or collaborators may be necessary to determine the priority of inventions with respect to our or our licensors' patents or patent applications. An unfavorable outcome could require us or our licensors to cease using the related technology and commercializing entinostat, or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us or our licensors a license on commercially reasonable terms or at all. Even if we or our licensors obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us or our licensors. In addition, if the breadth or strength of protection provided by our or our licensors' patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates. Even if we successfully defend such litigation or proceeding, we may incur substantial costs and it may distract our management and other employees. We could be found liable for monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed a patent.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this process. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a downward effect on the price of shares of our common stock.

***Third parties may initiate legal proceedings against us alleging that we infringe their intellectual property rights or we may initiate legal proceedings against third parties to challenge the validity or scope of intellectual property rights controlled by third parties, the outcome of which would be uncertain and could have an adverse effect on the success of our business.***

Third parties may initiate legal proceedings against us or our licensors or collaborators alleging that we or our licensors or collaborators infringe their intellectual property rights or we or our licensors or collaborators may initiate legal proceedings against third parties to challenge the validity or scope of intellectual property rights controlled by third parties, including in oppositions, interferences, reexaminations, *inter partes* reviews or derivation proceedings before the United States or other

jurisdictions. These proceedings can be expensive and time-consuming and many of our or our licensors' adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we or our licensors or collaborators can.

An unfavorable outcome could require us or our licensors or collaborators to cease using the related technology or developing or commercializing entinostat, or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us or our licensors or collaborators a license on commercially reasonable terms or at all. Even if we or our licensors or collaborators obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us or our licensors or collaborators. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed a patent. A finding of infringement could prevent us from commercializing entinostat or force us to cease some of our business operations, which could materially harm our business.

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

Many of our employees, including our senior management, were previously employed at universities or at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Some of these employees executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed confidential information or intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. Litigation may be necessary to defend against these claims.

In addition, for some of our in-licensed patents and patent applications, we do not have access to any patent assignments or employee agreements demonstrating that all inventors have assigned their rights to the inventions or related patents. As a result, we may be subject to claims of ownership by such inventors.

If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel or sustain damages. Such intellectual property rights could be awarded to a third party, and we could be required to obtain a license from such third party to commercialize our technology or products. Such a license may not be available on commercially reasonable terms or at all. Even if we successfully prosecute or defend against such claims, litigation could result in substantial costs and distract management.

***Our inability to protect our confidential information and trade secrets would harm our business and competitive position.***

In addition to seeking patents for some of our technology and products, we also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our

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employees and consultants. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts both within and outside the United States may be less willing or unwilling to protect trade secrets. If a competitor lawfully obtained or independently developed any of our trade secrets, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position.

### **Risks Related to this Offering and Ownership of Our Common Stock**

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

Our management will have broad discretion in the application of the net proceeds from this offering, and you will be relying on the judgment of our management regarding the application of these proceeds. You will not have the opportunity, as part of your investment decision, to assess whether we are using the proceeds appropriately. Our management might not apply our net proceeds in ways that ultimately increase the value of your investment. If we do not invest or apply the net proceeds from this offering in ways that enhance stockholder value, we may fail to achieve expected financial results, which could cause our stock price to decline.

***We do not know whether an active, liquid and orderly trading market will develop for our common stock or what the market price of our common stock will be and as a result it may be difficult for you to sell your shares of our common stock.***

Prior to this offering, no market for shares of our common stock existed and an active trading market for our shares may never develop or be sustained following this offering. We have applied to list our common stock on the NASDAQ Global Market, however, there is no assurance that it will be listed or, if it is so listed that an active trading market will develop on such exchange. We and the underwriters will determine the initial public offering price based on a number of factors, and such price may not be ultimately indicative of the market price of our common stock after this offering. The market value of our common stock may decrease from the initial public offering price. As a result of these and other factors, you may be unable to resell your shares of our common stock at or above the initial public offering price. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value of your shares. Furthermore, an inactive market may also impair our ability to raise capital by selling shares of our common stock and may impair our ability to enter into strategic collaborations or acquire companies or products by using our shares of common stock as consideration.

***The market price of our stock may be volatile and you could lose all or part of your investment.***

The trading price of our common stock following this offering is likely to be highly volatile and subject to wide fluctuations in response to various factors, some of which we cannot control. In addition to the factors discussed in this “Risk Factors” section and elsewhere in this prospectus, these factors include:

- the success of competitive products or technologies;

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- regulatory actions with respect to our products or our competitors' products;
- actual or anticipated changes in our growth rate relative to our competitors;
- announcements by us or our competitors of significant acquisitions, strategic collaborations, joint ventures, collaborations or capital commitments;
- results of trials of entinostat or those of our competitors;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to entinostat or clinical development programs;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- announcement or expectation of additional financing efforts;
- sales of our common stock by us, our insiders or our other stockholders;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors; and
- general economic, industry and market conditions.

In addition, the stock market in general, and the NASDAQ Global Market and biopharmaceutical companies in particular, frequently experiences extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. Broad market and industry factors may negatively affect the market price of our common stock, regardless of our actual operating performance. The realization of any of the above risks or any of a broad range of other risks, including those described in this "Risk Factors" section, could have a dramatic and negative impact on the market price of our common stock.

***We may sell additional equity or debt securities or enter into other arrangements to fund our operations, which may result in dilution to our stockholders and impose restrictions or limitations on our business.***

Until we can generate a sufficient amount of revenue from our products, if ever, we expect to finance future cash needs through public or private equity or debt offerings. We may also seek additional funding through government or other third-party funding and other collaborations, strategic alliances and licensing arrangements. These financing activities may have an adverse impact on our stockholders' rights as well as on our operations, and such additional funding may not be available on reasonable terms, if at all. If we raise additional funds through the issuance of additional debt or equity securities, it may result in dilution to our existing stockholders and/or increased fixed payment obligations. Furthermore, these securities may have rights senior to those of our common stock and

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could contain covenants that would restrict our operations and potentially impair our competitiveness, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. Additionally, if we seek funds through arrangements with collaborative partners, these arrangements may require us to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us. Any of these events could significantly harm our business, financial condition and prospects.

***If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.***

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no or few securities or industry analysts commence coverage of us, the trading price for our stock could be negatively impacted. In the event we obtain securities or industry analyst coverage, if any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our stock performance, or if our trials or operating results fail to meet the expectations of analysts, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

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

Prior to this offering, our executive officers, directors, holders of 5% or more of our capital stock and their respective affiliates beneficially owned approximately 78.3% of our outstanding voting stock and, upon completion of this offering, that same group will hold approximately % of our outstanding voting stock, assuming no exercise of outstanding options. After this offering, this group of stockholders will have the ability to control us through this ownership position even if they do not purchase any additional shares in this offering. These stockholders may be able to determine all matters requiring stockholder approval. For example, these stockholders may be able to control elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders. The interests of this group of stockholders may not always coincide with your interests or the interests of other stockholders and they may act in a manner that advances their best interests and not necessarily those of other stockholders, including seeking a premium value for their common stock, and might affect the prevailing market price for our common stock.

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***We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and will be able to avail ourselves of reduced disclosure requirements applicable to emerging growth companies, which could make our common stock less attractive to investors and adversely affect the market price of our common stock.***

For so long as we remain an “emerging growth company” as defined in the JOBS Act, we may take advantage of certain exemptions from various requirements applicable to public companies that are not “emerging growth companies” including:

- the provisions of Section 404(b) of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, requiring that our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting;
- the “say on pay” provisions (requiring a non-binding stockholder vote to approve compensation of certain executive officers) and the “say on golden parachute” provisions (requiring a non-binding stockholder vote to approve golden parachute arrangements for certain executive officers in connection with mergers and certain other business combinations) of the Dodd-Frank Act and some of the disclosure requirements of the Dodd-Frank Act relating to compensation of our chief executive officer;
- the requirement to provide detailed compensation discussion and analysis in proxy statements and reports filed under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and instead provide a reduced level of disclosure concerning executive compensation; and
- any rules that the Public Company Accounting Oversight Board may adopt requiring mandatory audit firm rotation or a supplement to the auditor’s report on the financial statements.

We may take advantage of these exemptions until we are no longer an “emerging growth company.” We would cease to be an “emerging growth company” upon the earliest of: (i) the first fiscal year following the fifth anniversary of this offering; (ii) the first fiscal year after our annual gross revenues are \$1.0 billion or more; (iii) the date on which we have, during the previous three-year period, issued more than \$1.0 billion in non-convertible debt securities; or (iv) as of the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeded \$700 million as of the end of the second quarter of that fiscal year.

We currently intend to take advantage of some, but not all, of the reduced regulatory and reporting requirements that will be available to us so long as we qualify as an “emerging growth company.” For example, we have irrevocably elected not to take advantage of the extension of time to comply with new or revised financial accounting standards available under Section 102(b) of the JOBS Act. Our independent registered public accounting firm will not be required to provide an attestation report on the effectiveness of our internal control over financial reporting so long as we qualify as an “emerging growth company,” which may increase the risk that material weaknesses or significant deficiencies in our internal control over financial reporting go undetected. Likewise, so long as we qualify as an “emerging growth company,” we may elect not to provide you with certain information, including certain financial information and certain information regarding compensation of our executive officers, that we would otherwise have been required to provide in filings we make with the Securities and Exchange Commission, or SEC, which may make it more difficult for investors and securities analysts to evaluate our company. We cannot predict if investors will find our common stock less attractive

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because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock, and our stock price may be more volatile and may decline.

### ***We will incur increased costs as a result of operating as a public company, and our management will devote substantial time to new compliance initiatives.***

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company, and these expenses may increase even more after we are no longer an “emerging growth company.” We will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Protection Act, as well as rules adopted, and to be adopted, by the SEC and the NASDAQ Global Market. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, we expect these rules and regulations to substantially increase our legal and financial compliance costs and to make some activities more time-consuming and costly. The increased costs will increase our net loss. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs to maintain the sufficient coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

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

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. After this offering, we will have outstanding shares of common stock based on the number of shares outstanding as of September 30, 2015, assuming: (i) no exercise of the underwriters’ over-allotment option; and (ii) the conversion of all outstanding shares of our convertible preferred stock into 16,090,757 shares of common stock immediately prior to the completion of this offering. This includes the shares that we sell in this offering, which may be resold in the public market immediately without restriction, unless purchased by our affiliates. Of the remaining shares, shares of our common stock are currently restricted as a result of securities laws or lock-up agreements but will be able to be sold after this offering as described in the section titled “Shares Eligible for Future Sale” included elsewhere in this prospectus. Moreover, after this offering, holders of an aggregate of shares of our common stock will have rights, subject to certain conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. We also intend to register all shares of common stock that we may issue under our equity compensation plans. Once we register these shares, they can be freely sold in the public market upon issuance, subject to volume limitations applicable to affiliates and the lock-up agreements described in the section titled “Underwriting” included elsewhere in this prospectus.

***We may be subject to securities litigation, which is expensive and could divert management attention.***

The market price of our common stock may be volatile, and in the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

***If we fail to maintain an effective system of internal control over financial reporting in the future, we may not be able to accurately report our financial condition, results of operations or cash flows, which may adversely affect investor confidence in us and, as a result, the value of our common stock.***

The Sarbanes-Oxley Act requires, among other things, that we maintain effective internal controls for financial reporting and disclosure controls and procedures. Commencing after the filing of our initial annual report on Form 10-K, we will be required, under Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting that results in more than a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. Section 404 of the Sarbanes-Oxley Act also generally requires an attestation from our independent registered public accounting firm on the effectiveness of our internal control over financial reporting. However, for as long as we remain an emerging growth company as defined in the JOBS Act, we intend to take advantage of the exemption permitting us not to comply with the independent registered public accounting firm attestation requirement.

Our compliance with Section 404 will require that we incur substantial expense and expend significant management efforts. We currently do not have an internal audit group, and we will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge, and compile the system and process documentation necessary to perform the evaluation needed to comply with Section 404. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting once that firm begins its Section 404 reviews, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by the NASDAQ Global Market, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.



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***If we are unable to successfully remediate the existing material weakness in our internal control over financial reporting, the accuracy and timing of our financial reporting may be adversely affected.***

In preparing our consolidated financial statements as of and for the years ended December 31, 2013 and 2014, we and our independent registered public accounting firm identified control deficiencies in the design and operation of our internal control over financial reporting that constituted a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. The material weakness identified resulted from the fact that we do not have sufficient financial reporting and accounting staff with appropriate training in generally accepted accounting principles in the United States, or GAAP, and SEC rules and regulations. As such, our controls over financial reporting were not designed or operating effectively, and as a result there were adjustments required in connection with closing our books and records and preparing our December 31, 2013 and 2014 consolidated financial statements.

The material weakness in our internal control over financial reporting was attributable to our lack of sufficient financial reporting and accounting personnel with the technical expertise to appropriately account for complex, non-routine transactions. In response to this material weakness, during 2015 we have hired additional personnel with the appropriate financial reporting experience to expand our financial management and reporting infrastructure and further develop and document our accounting policies and financial reporting procedures. However, we cannot assure you that we will be successful in pursuing these measures or that these measures will significantly improve or remediate the material weakness described above. We also cannot assure you that we have identified all of our existing material weaknesses or that we will not in the future have additional material weaknesses. We have not yet remediated our material weakness, and the remediation measures that we have begun to implement may be insufficient to address our existing material weakness or to identify or prevent additional material weaknesses.

Neither we nor our independent registered public accounting firm has performed an evaluation of our internal control over financial reporting during any period in accordance with the provisions of the Sarbanes-Oxley Act. In light of the control deficiencies and the resulting material weakness that were identified as a result of the limited procedures performed, we believe that it is possible that, had we and our independent registered public accounting firm performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional material weaknesses and significant control deficiencies may have been identified. However, for as long as we remain an “emerging growth company” as defined in the JOBS Act, we intend to take advantage of the exemption permitting us not to comply with the requirement that our independent registered public accounting firm provide an attestation on the effectiveness of our internal control over financial reporting.

If we fail to remediate the material weakness or to meet the demands that will be placed upon us as a public company, including the requirements of the Sarbanes-Oxley Act, we may be unable to accurately report our financial results, or report them within the timeframes required by law or stock exchange regulations. Failure to comply with Section 404 of the Sarbanes-Oxley Act could also potentially subject us to sanctions or investigations by the SEC or other regulatory authorities. There is no assurance that we will be able to remediate the material weakness in a timely manner, or at all, or that in the future, additional material weaknesses will not exist or otherwise be discovered. If our

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efforts to remediate the material weakness identified are not successful, or if other material weaknesses or other deficiencies occur, our ability to accurately and timely report our financial position could be impaired, which could result in late filings of our annual and quarterly reports under the Exchange Act, restatements of our consolidated financial statements, a decline in our stock price, suspension or delisting of our common stock from the NASDAQ Global Market, and could adversely affect our reputation, results of operations and financial condition.

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

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws that will become effective immediately prior to the completion of this offering, as well as provisions of Delaware law, could make it more difficult for a third party to acquire us or increase the cost of acquiring us, even if doing so would benefit our stockholders, or remove our current management. These provisions include:

- authorizing the issuance of “blank check” preferred stock, the terms of which we may establish and shares of which we may issue without stockholder approval;
- prohibiting cumulative voting in the election of directors, which would otherwise allow for less than a majority of stockholders to elect director candidates;
- prohibiting stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of our stockholders;
- eliminating the ability of stockholders to call a special meeting of stockholders; and
- establishing advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted upon at stockholder meetings.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, who are responsible for appointing the members of our management. Because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, or the DGCL, which may discourage, delay or prevent someone from acquiring us or merging with us whether or not it is desired by or beneficial to our stockholders. Under the DGCL, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other things, the board of directors has approved the transaction. Any provision of our amended and restated certificate of incorporation or amended and restated bylaws or Delaware law that has the effect of delaying or deterring a change of control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

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***Our amended and restated certificate of incorporation that will become effective upon the closing of this offering will provide that the Court of Chancery of the State of Delaware is the sole and exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.***

Our amended and restated certificate of incorporation that will become effective upon the closing of this offering will provide that the Court of Chancery of the State of Delaware is the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of the company; (ii) any action or proceeding commenced by any of our stockholders (including any class action) asserting a claim of breach of a fiduciary duty owed to the company, or other wrongdoing, by any director, officer, employee or agent of the company or the company's stockholders; (iii) any action or proceeding commenced by any of our stockholders (including any class action) asserting a claim against the company arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws, each of which will become effective upon the closing of this offering; (iv) any action or proceeding commenced by any of our stockholders (including any class action) to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws; or (v) any action or proceeding commenced by any of our stockholders (including any class action) asserting a claim against the company governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our amended and restated certificate of incorporation described above. This choice of forum provision may limit our stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and our directors, officers, employees and agents. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition or results of operations.

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS  
AND INDUSTRY DATA**

Some of the statements made in the sections titled “Prospectus Summary,” “Risk Factors,” “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business” and elsewhere in this prospectus constitute forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “expect,” “would,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “intend” or “continue,” or the negative of these terms or other comparable terminology.

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

- our estimates regarding our expenses, future revenues, anticipated capital requirements and our needs for additional financing;
- the timing of the commencement, progress and receipt of data from the planned Phase 1b/2 clinical trials of entinostat in lung cancer, melanoma, ovarian cancer and triple negative breast cancer;
- the timing of the commencement, progress and receipt of data from the planned Phase 3 clinical trial of entinostat in advanced HR+ breast cancer;
- the timing of the commencement, progress and receipt of data from any other clinical trials that we and our collaborators may conduct;
- our ability to replicate results from a completed clinical trial in a future clinical trial;
- our expectations regarding the potential safety, efficacy or clinical utility of entinostat;
- our ability to obtain and maintain regulatory approval for entinostat and the timing or likelihood of regulatory filings and approvals for entinostat;
- our ability to maintain our license with Bayer and KHK;
- the implementation of our strategic plans for our business and entinostat development;
- the scope of protection we establish and maintain for intellectual property rights covering entinostat and our technology;
- the market adoption of entinostat by physicians and patients; and
- developments relating to our competitors and our industry.

These statements are only current predictions and are subject to known and unknown risks, uncertainties and other factors that may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from those anticipated by the forward-looking statements. We discuss many of these risks in this prospectus in greater detail in the section titled “Risk Factors” and elsewhere in this prospectus. You should not rely upon forward-looking statements as predictions of future events.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by law, after the date of this prospectus, we are under no duty to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise.

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This prospectus also contains estimates, projections and other information concerning our industry, the market and our business. Information that is based on estimates, forecasts, projections or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. We obtained the industry, market and competitive position data in this prospectus from our own internal estimates and research as well as from industry and general publications and research surveys and studies conducted by third parties.

## USE OF PROCEEDS

We estimate that our net proceeds from the sale of shares of our common stock in this offering will be approximately \$       million, based on an assumed initial public offering price of \$       per share, the midpoint of the estimated price range set forth on the cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters exercise their over-allotment option in full, we estimate that our net proceeds will be approximately \$       million based on an assumed initial public offering price of \$       per share, the midpoint of the estimated price range set forth on the cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to obtain additional capital to support our operations, establish a public market for our common stock and to facilitate our future access to the public capital markets. We currently expect to use the net proceeds from this offering, together with our existing cash, cash equivalents and short-term investments, for the following purposes:

- approximately \$       million to support the clinical trials of entinostat in combination with *Keytruda*® (pembrolizumab), atezolizumab and avelumab through the expected completion date of the two Phase 2 clinical trials;
- approximately \$       million to support additional clinical trials of entinostat in combination with immune checkpoint inhibitors;
- approximately \$       million to support the Phase 3 clinical trial of entinostat in advanced HR+ breast cancer through the primary endpoint of overall survival data;
- approximately \$       million to conduct activities to support the filing of a New Drug Application for entinostat, including manufacturing of registration batches of active pharmaceutical ingredient and final drug product; and
- the remainder for working capital and general corporate purposes.

The expected use of the net proceeds from this offering represents our intentions based upon our current plans and business conditions, which could change in the future as our plans and business conditions evolve. The amounts and timing of our actual expenditures depend on numerous factors, including the ongoing status of and results from our clinical trials and other studies and any unforeseen cash needs. As a result, our management will have broad discretion in applying the net proceeds from this offering. We may use a portion of the net proceeds from this offering allocated to general corporate purposes for the acquisition or licensing, as the case may be, of product candidates, technologies, compounds, other assets or complementary businesses; however, we have no current understandings, agreements or commitments to do so. Pending these uses, we intend to invest the net proceeds from this offering in interest-bearing, investment-grade securities.

Although it is difficult to predict future liquidity requirements, we believe that the net proceeds from this offering, together with our existing cash, cash equivalents and short-term investments, will fund our projected operating expenses and capital expenditure requirements for at least the next 24 months.

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$       per share, the midpoint of the estimated price range set forth on the cover of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately \$       million, assuming the

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number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1.0 million shares in the number of shares offered by us would increase (decrease) the net proceeds to us from this offering by approximately \$        million, assuming the assumed initial public offering price remains the same, and after deducting underwriting, discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will adjust based on the actual initial public offering price and other terms of this offering determined at pricing.

**DIVIDEND POLICY**

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings to support our operations and finance the growth and development of our business and do not intend to declare or pay any cash dividends in the foreseeable future. As a result, you will likely need to sell your shares of common stock to realize a return on your investment, and you may not be able to sell your shares at or above the price you paid for them. Payment of cash dividends, if any, in the future will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant.



## CAPITALIZATION

The following table sets forth our cash, cash equivalents and short-term investments and our capitalization as of September 30, 2015, on:

- an actual basis;
- a pro forma basis giving effect to (i) the conversion of all outstanding shares of our convertible preferred stock outstanding as of September 30, 2015 into an aggregate of 16,090,757 shares of our common stock upon completion of this offering and (ii) the prepayment of the Solar Capital Ltd. term loans on October 1, 2015, which reflects the September 30, 2015 outstanding balance of \$8.3 million plus accrued interest of \$0.1 million, the write-off of the unamortized debt discount and deferred issuance costs of \$0.3 million and a final fee and prepayment penalty of \$0.4 million, due October 1, 2015; and
- a pro forma as adjusted basis giving additional effect to the sale of \_\_\_\_\_ shares of common stock in this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share, the midpoint of the estimated price range set forth on the cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, as if the sale of the shares in this offering had occurred on September 30, 2015.

The information in this table is illustrative only and our capitalization following the completion of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this table in conjunction with the information contained in the sections titled “Use of Proceeds,” “Selected Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” as well as the consolidated financial statements and related notes thereto included elsewhere in this prospectus.

(in thousands, except share and per share amounts)	September 30, 2015		
	Actual	Pro Forma (unaudited)	Pro Forma as Adjusted
Cash, cash equivalents and short-term investments	\$ 100,199	\$ 91,446	\$ _____
Long-term debt, including current portion	\$ 8,175	\$ —	\$ _____
Convertible preferred stock, par value \$0.001: 20,748,727 shares authorized, 15,915,650 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	315,597	—	_____
Stockholders’ (deficit) equity:			
Series A convertible preferred stock, par value \$0.001: 4,390,243 shares authorized, 875,545 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	7,231	—	_____
Common stock, par value \$0.0001: 26,000,000 shares authorized, 102,790 shares issued and outstanding, actual; 100,000,000 shares authorized, 16,193,547 shares issued and outstanding, pro forma <sup>(1)</sup> ; 100,000,000 shares authorized, _____ shares issued and outstanding, pro forma as adjusted	1	2	_____
Preferred stock, par value \$0.001: no shares authorized, issued and outstanding, actual; 10,000,000 shares authorized, no shares issued and outstanding, pro forma and pro forma as adjusted	—	—	_____
Additional paid-in capital	—	325,605	_____
Accumulated other comprehensive income	17	17	_____
Accumulated deficit	(252,087)	(252,695)	_____
Total stockholders’ (deficit) equity	(244,838)	72,929	_____
Total capitalization	\$ 78,934	\$ 72,929	\$ _____

(1) Excludes 20,274 shares of unvested restricted common stock.

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The number of shares of our common stock outstanding immediately following this offering set forth above is based on \_\_\_\_\_ shares of our common stock outstanding as of September 30, 2015, which gives effect to the pro forma transactions described above and excludes the following:

- 3,236,470 shares of our common stock issuable upon the exercise of stock options outstanding as of September 30, 2015 under the 2007 Plan at a weighted-average exercise price of \$6.03 per share;
- \_\_\_\_\_ shares of our common stock issuable upon the exercise of the Bayer Warrant at an exercise price of \$1.23 per share, based upon \_\_\_\_\_ shares of our common stock outstanding as of September 30, 2015 on a fully diluted basis immediately following this offering, which warrant is expected to remain outstanding upon completion of this offering;
- 20,274 shares of unvested restricted stock subject to repurchase by us;
- \_\_\_\_\_ shares of our common stock reserved for issuance under the 2015 Plan, which will become effective upon completion of this offering, as well as any future increases in the number of shares of our common stock reserved for issuance under the 2015 Plan; and
- \_\_\_\_\_ shares of our common stock reserved for issuance under the ESPP, which will become effective upon completion of this offering, as well as any future increases in the number of shares of our common stock reserved for issuance under the ESPP.

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ \_\_\_\_\_ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) each of cash, cash equivalents and short-term investments, additional paid-in capital, total stockholders' equity and total capitalization by approximately \$ \_\_\_\_\_ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1.0 million shares in the number of shares offered by us would increase (decrease) each of cash, cash equivalents and short-term investments, additional paid-in capital, total stockholders' equity and total capitalization by approximately \$ \_\_\_\_\_ million, assuming that the assumed initial public offering price of \$ \_\_\_\_\_ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will adjust based on the actual initial public offering price and other terms of this offering determined at pricing.

## DILUTION

If you invest in our common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the assumed initial public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering. Net tangible book value per share of our common stock is determined at any date by subtracting our total liabilities and convertible preferred stock from the amount of our total tangible assets (total assets less intangible assets) and dividing the difference by the number of shares of our common stock deemed to be outstanding at that date.

Our historical net tangible book deficit as of September 30, 2015 was \$(244.8) million, or \$(2,381.92) per share, based on 102,790 shares of common stock outstanding as of September 30, 2015 (excluding 20,274 shares of unvested restricted stock subject to repurchase by us). Our pro forma net tangible book value as of September 30, 2015 was approximately \$72.9 million, or \$4.50 per share. Our pro forma net tangible book value per share gives effect to (i) the conversion of all outstanding shares of our convertible preferred stock outstanding as of September 30, 2015 into an aggregate of 16,090,757 shares of our common stock upon completion of this offering and (ii) the prepayment of the Solar Capital Ltd. term loans on October 1, 2015, which reflects the September 30, 2015 outstanding balance of \$8.3 million plus accrued interest of \$0.1 million, the write-off of the unamortized debt discount and deferred issuance costs of \$0.3 million, and a final fee and prepayment penalty of \$0.4 million, due October 1, 2015.

After giving effect to our receipt of approximately \$ million of estimated net proceeds, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, from our sale of common stock in this offering at an assumed initial public offering price of \$ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, our pro forma as adjusted net tangible book value (deficit) as of September 30, 2015, would have been \$ million, or \$ per share. This amount represents an immediate increase in net tangible book value (deficit) of \$ per share of our common stock to existing stockholders and an immediate dilution in net tangible book value (deficit) of \$ per share of our common stock to new investors purchasing shares of common stock in this offering.

The following table illustrates this dilution on a per share basis to new investors:

Assumed initial public offering price per share	\$
Historical net tangible book deficit per share as of September 30, 2015	\$(2,381.92)
Pro forma increase in net tangible book value per share attributable to pro forma transactions and other adjustments described above	<u>2,386.42</u>
Pro forma net tangible book value per share before this offering	4.50
Pro forma increase in net tangible book value (deficit) per share attributable to new investors	<u>          </u>
Pro forma as adjusted net tangible book value (deficit) per share after this offering	<u>          </u>
Dilution per share to new investors purchasing common stock in this offering	<u><u>\$</u></u>

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value (deficit) by \$ million or by \$ per share and the dilution to new investors in this offering by \$ per share, assuming the number of

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shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

We may also increase or decrease the number of shares we are offering. Each increase of 1.0 million shares in the number of shares offered by us would increase our pro forma as adjusted net tangible book value (deficit) as of September 30, 2015, by approximately \$ million or by \$ per share and decrease the dilution to new investors purchasing common stock in this offering by \$ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their over-allotment option in full, the pro forma as adjusted net tangible book value (deficit) per share after giving effect to this offering would be \$ per share, which amount represents an immediate increase in pro forma net tangible book value (deficit) of \$ per share of our common stock to existing stockholders and an immediate dilution in net tangible book value (deficit) of \$ per share of our common stock to new investors purchasing shares of common stock in this offering.

The following table summarizes, as of September 30, 2015, after giving effect to the pro forma adjustments noted above, the differences between the number of shares purchased from us, the total consideration paid to us, and the average price per share paid to us by existing stockholders and by new investors purchasing shares in this offering, before deducting underwriting discounts and commissions and estimated offering expenses payable by us, at an assumed initial public offering price of \$ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus.

(in thousands, except per share amounts)	Shares Purchased		Total Cash Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders	16,194	%	\$ 188,063	%	\$ 11.62
New investors		%		%	
Total		100%		\$ 100%	

The number of shares of our common stock outstanding immediately following this offering is based on shares of our common stock outstanding as of September 30, 2015, which gives effect to the pro forma transactions described above and excludes the following:

- 3,236,470 shares of our common stock issuable upon the exercise of stock options outstanding as of September 30, 2015 under the 2007 Plan at a weighted-average exercise price of \$6.03 per share;
- shares of our common stock based upon shares of our common stock outstanding as of September 30, 2015 on a fully diluted basis immediately following this offering, issuable upon the exercise of the Bayer Warrant at an exercise price of \$1.23 per share, which warrant is expected to remain outstanding upon completion of this offering;
- 20,274 shares of unvested restricted stock subject to repurchase by us;
- shares of our common stock reserved for issuance under the 2015 Plan, which will become effective upon completion of this offering, as well as any future increases in the number of shares of our common stock reserved for issuance under the 2015 Plan; and

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

If all our outstanding stock options had been exercised as of September 30, 2015, assuming the treasury stock method, our pro forma net tangible book value as of September 30, 2015 (calculated on the basis of the assumptions set forth above) would have been approximately \$        million, or \$        per share of our common stock, and the pro forma as adjusted net tangible book value would have been \$        per share, representing dilution in our pro forma as adjusted net tangible book value to new investors of \$        per share.

In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital by issuing equity securities or convertible debt, your ownership will be further diluted.

Effective upon completion of this offering,        shares of our common stock will be reserved for future issuance under our 2015 Plan and        shares of our common stock will be reserved for future issuance under our ESPP, and the number of reserved shares under each such plan will also be subject to automatic annual increases in accordance with the terms of the plans. New awards that we may grant under our 2015 Plan or shares issued under our ESPP will further dilute investors purchasing common stock in this offering.

**SELECTED CONSOLIDATED FINANCIAL DATA**

You should read the following selected consolidated financial data together with the information contained in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes, included elsewhere in this prospectus. We have derived the consolidated statements of operations data for the years ended December 31, 2013 and 2014 and the consolidated balance sheet data as of December 31, 2013 and 2014 from our audited consolidated financial statements, included elsewhere in this prospectus. The following consolidated statements of operations data for the nine months ended September 30, 2014 and 2015 and the consolidated balance sheet data as of September 30, 2015, are derived from our unaudited interim condensed consolidated financial statements, included elsewhere in this prospectus. The unaudited interim condensed consolidated financial statements have been prepared on a basis consistent with our audited consolidated financial statements included elsewhere in this prospectus and include, in our opinion, all adjustments, consisting only of normal recurring adjustments, necessary for the fair statement of the financial information in those statements. Our historical results are not necessarily indicative of results to be expected for the full year or any period in the future.

(in thousands, except share and per share data)	Year Ended December 31,		Nine Months Ended September 30,	
	2013	2014	2014	2015
<b>Consolidated Statements of Operations Data:</b>				
Revenues:				
License fees	\$ —	\$ —	\$ —	\$ 322
Total revenues	—	—	—	322
Operating expenses:				
Research and development	3,208	10,175	8,720	6,962
General and administrative	5,363	11,157	9,323	9,194
Total operating expenses	8,571	21,332	18,043	16,156
Loss from operations	(8,571)	(21,332)	(18,043)	(15,834)
Other (expense) income:				
Interest (expense) income, net	(771)	(289)	(24)	(890)
Change in fair value of common stock warrant liability	(1,943)	1,789	1,787	(2,085)
Change in fair value of convertible preferred stock warrant liability	128	—	—	—
Change in fair value of tranche liability	(3,144)	—	—	—
Other income (expense), net	130	4	—	(47)
Total other (expense) income	(5,600)	1,504	1,763	(3,022)
Net loss	\$ (14,171)	\$ (19,828)	\$ (16,280)	\$ (18,856)
Net loss attributable to common stockholders—basic and diluted <sup>(1)</sup>	\$ (60,454)	\$ (26,357)	\$ (21,164)	\$ (95,066)
Net loss per share attributable to common stockholders—basic and diluted <sup>(1)</sup>	\$ (1,139.14)	\$ (362.38)	\$ (291.55)	\$ (1,200.18)
Weighted-average common shares outstanding used to compute net loss per share attributable to common stockholders—basic and diluted <sup>(1)</sup>	53,070	72,733	72,591	79,210
Pro forma net loss per share attributable to common stockholders, basic and diluted <sup>(1)</sup>		\$ (2.69)		\$ (1.57)
Pro forma weighted-average common shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted <sup>(1)</sup>		8,007,439		10,582,324

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- (1) See Note 2 to our audited consolidated financial statements and our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate the historical and pro forma net loss per share, basic and diluted, and the weighted-average number of shares used in the computation of the per share amounts.

(in thousands)	As of December 31,		As of
	2013	2014	September 30, 2015 (unaudited)
<b>Consolidated Balance Sheet Data:</b>			
Cash, cash equivalents and short-term investments	\$ 14,126	\$ 12,091	\$ 100,199
Total assets	17,061	12,816	102,839
Current portion of long-term debt	—	1,449	8,175
Convertible notes	—	5,000	—
Long-term debt, less current portion	—	7,435	—
Common stock warrant liability	2,482	693	2,778
Convertible preferred stock	140,324	146,853	315,597
Accumulated deficit	(135,707)	(159,801)	(252,087)
Total stockholders' deficit	(128,475)	(152,569)	(244,838)

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations together with the section titled, "Selected Consolidated Financial Data," and our consolidated financial statements and related notes thereto included elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the section titled "Risk Factors," our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.*

### Overview

We are a clinical stage biopharmaceutical company developing entinostat as a combination therapy in multiple cancer indications with our initial focus on tumors that have shown sensitivity to immunotherapy, including lung cancer, melanoma, ovarian cancer and triple negative breast cancer, or TNBC. Entinostat is our oral, small molecule drug candidate that has direct effects on both cancer cells and immune regulatory cells, potentially enhancing the body's immune response to tumors. The favorable safety profile of entinostat has been demonstrated in clinical trials in more than 900 cancer patients. We are currently evaluating entinostat in combination with *Keytruda*<sup>®</sup> (pembrolizumab) in a Phase 1b/2 clinical trial, ENCORE 601, for non-small cell lung cancer, or NSCLC, and melanoma, and we plan to initiate a Phase 1b/2 clinical trial, ENCORE 602, for entinostat in combination with atezolizumab in TNBC in the first half of 2016 and a Phase 1b/2 clinical trial, ENCORE 603, for entinostat in combination with avelumab in ovarian cancer in the second half of 2016. We believe that, based on its mechanism of action, entinostat may have broad applications in additional tumor types, including head and neck, bladder and renal cell, which are immunoresponsive, or sensitive to immunotherapy.

We are also developing entinostat for use in advanced hormone receptor positive, or HR+, breast cancer. Following positive results from our Phase 2b clinical trial, ENCORE 301, entinostat in combination with *Aromasin*<sup>®</sup> (exemestane tablets) was granted breakthrough therapy designation by the U.S. Food and Drug Administration, or the FDA, in advanced HR+ breast cancer for which it is currently being evaluated in a Phase 3 clinical trial.

We have no products approved for commercial sale and have not generated any product revenues from product sales to date, and we continue to incur significant research and development and other expenses related to our ongoing operations. As a result, we are not and have never been profitable and have incurred losses in each period since our inception in 2005. For the years ended December 31, 2013 and 2014 and the nine months ended September 30, 2015, we reported a net loss of \$14.2 million, \$19.8 million and \$18.9 million, respectively. As of September 30, 2015, we had an accumulated deficit of \$252.1 million, which included non-cash charges for stock-based compensation, preferred stock accretion and extinguishment charges. As of December 31, 2015, we had cash, cash equivalents and short-term investments of \$86.5 million following the prepayment of the outstanding term loan facility with Solar Capital Ltd. on October 1, 2015.



## Financial Overview

### Revenue

To date, we have not generated any product revenues. Our ability to generate revenue and become profitable depends upon our ability to obtain marketing approval of and successfully commercialize our product candidate, entinostat.

Our revenues in 2015 have been derived from our license agreement with Kyowa Hakko Kirin Co., Ltd., or KHK, under which we granted KHK an exclusive license to develop and commercialize entinostat in Japan and Korea, or the KHK license agreement. In 2015, we received a \$25.0 million upfront payment from KHK, inclusive of an equity investment, and to the extent certain development and commercial milestones are achieved, we will receive up to \$75.0 million in milestone payments from KHK over the term of the KHK license agreement. Under the terms of the KHK license agreement, we are responsible for the manufacture and supply of the product during the development activities and we are obligated to provide KHK with access to know-how and regulatory information that we may develop over the life of the entinostat patent. We allocated \$17.3 million of the upfront payment to the upfront license fee and determined that there are two units of accounting in connection with our obligations at inception under the KHK license agreement: (i) license unit of accounting and (ii) rights to additional intellectual property. The two deliverables identified above comprise the license unit of accounting. We concluded that the standalone selling price for the rights to additional intellectual property unit of account is immaterial. As such, the entire \$17.3 million allocated to the upfront license fee will be allocated to the license unit of accounting. The arrangement consideration allocated to the license unit of accounting will be recognized as revenue ratably over our expected services period (currently expected to be through 2029) commencing on the date of the first delivery of the clinical trial materials, which occurred during the second quarter of 2015. The balance of the upfront payment of \$7.7 million was allocated to KHK's purchase of shares of our Series B-1 convertible preferred stock.

### Research and Development

Since our inception, we have primarily focused on our clinical development programs. Research and development expenses consist primarily of costs incurred for the development of entinostat, which include:

- expenses incurred under agreements related to our clinical trials, including the costs for investigative sites and contract research organizations, or CROs, that conduct our clinical trials;
- employee-related expenses related to our research and development activities, including salaries, benefits, travel and stock-based compensation expenses;
- manufacturing process-development, clinical supplies and technology-transfer expenses;
- license fees and milestone payments under our license agreements;
- consulting fees paid to third parties;
- allocated facilities and overhead expenses; and
- costs associated with regulatory operations and regulatory compliance requirements.

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Internal and external research and development costs are expensed as they are incurred. Costs for certain development activities, such as clinical trials, are recognized based on an evaluation of the progress to completion of specific tasks using data such as patient enrollment, clinical site activations or other information provided to us by our vendors.

As we expand the clinical development of entinostat, the amount of research and development expenses allocated to external spending will continue to grow, while we expect our internal spending to grow at a slower and more controlled pace. We have incurred a total of \$69.2 million in research and development expenses from our inception through September 30, 2015.

Conducting a significant amount of research and development is central to our business model. Drug candidates in late stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of late-stage clinical trials. We plan to increase our research and development expenses for the foreseeable future as we seek to complete the development of entinostat. The successful development of entinostat is highly uncertain. At this time, we cannot reasonably estimate the nature, timing or costs of the efforts that will be necessary to complete the remainder of the development of entinostat for the period, if any, in which material net cash inflows from these potential drug candidates may commence. Clinical development timelines, the probability of success and development costs can differ materially from expectations.

### ***General and Administrative***

General and administrative expenses consist primarily of salaries and related benefits, including stock-based compensation, related to our executive, finance, business development and support functions. Other general and administrative expenses include facility-related costs not otherwise allocated to research and development expenses, travel expenses for our general and administrative personnel and professional fees for auditing, tax, and legal services. We anticipate that our general and administrative expenses will increase in future periods, reflecting both increased costs in connection with the potential future commercialization of entinostat, an expanding infrastructure and increased professional fees associated with being a public reporting company.

### ***Sales and Marketing***

Selling and marketing expenses consist primarily of salaries and benefits for employees in the marketing, commercial and sales functions. Other significant expenses include professional and consulting fees related to these functions. Though we have incurred immaterial sales and marketing expenses to date as we continue primarily with the clinical development of our drug candidate programs, we expect to begin to incur increased selling and marketing expenses in anticipation of the commercialization of entinostat. These increased expenses will include payroll-related costs as we add employees in the commercial departments, costs related to the initiation and operation of our sales and distribution network and marketing related costs.

### ***Interest Income (Expense), Net***

Interest income consists of interest income earned on our cash, cash equivalents and short-term investment balances. Interest expense consists of interest expense on amounts borrowed under our term loan facility, capital leases and convertible notes.

***Change in Fair Value of Common and Convertible Preferred Stock Warrant Liabilities***

The common and convertible preferred stock warrant liabilities are associated with warrants to purchase stock issued to lenders under our convertible notes and preferred stock financings and common stock warrants issued with license agreements. The change in fair value consists of the calculated change in value based upon the fair value of the underlying security at the end of each reporting period as calculated using the Black-Scholes option pricing model. Gains and losses arising from changes in fair value are recognized in other income (expense) in the consolidated statements of operations and comprehensive loss.

***Change in Fair Value of Derivatives***

In 2014, we entered into a loan and security agreement consisting of a term loan facility that included a contingent liability that we determined to be a freestanding derivative. At each balance sheet date prior to its conversion or until the contingent liability is settled, we calculate the fair value of this right using a probability-weighted expected-return model, or PWERM. Gains and losses arising from changes in fair value are recognized in other income (expense) in the consolidated statements of operations and comprehensive loss.

***Change in Fair Value of Tranche Financing Liability***

In 2013, we entered into a Series B-1 preferred stock purchase agreement, dated March 8, 2013, as amended, or the Series B-1 financing, to sell shares to investors in tranches during the period from March 2013 through November 2013. The right to participate in the future tranches of the Series B-1 financing was determined to be a freestanding instrument. At the end of each reporting period, we determined the fair value of those rights using the Black-Scholes option pricing model. Gains and losses arising from changes in fair value are recognized in other income (expense) in the consolidated statements of operations and comprehensive loss.

***Recent Accounting Pronouncements***

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, or FASB, or other standard setting bodies and adopted by us as of the specified effective date. Unless otherwise discussed in note 1 to our audited consolidated financial statements and our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus, we believe that the impact of recently issued standards that are not yet effective will not have a material impact on our financial position or results of operations upon adoption.

***Critical Accounting Policies and Use of Estimates***

Our management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported expenses during the reporting periods. These items are monitored and analyzed by us for changes in facts and circumstances, and material changes in these estimates could occur in the future. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances; the

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results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Changes in estimates are reflected in reported results for the period in which they become known. Actual results may differ materially from these estimates.

While our significant accounting policies are more fully described in Note 1 to our consolidated financial statements and our condensed consolidated financial statements included elsewhere in this prospectus, we believe that the following accounting policies are critical to the process of making significant judgments and estimates in the preparation of our consolidated financial statements and understanding and evaluating our reported financial results.

### ***Revenue Recognition***

We have generated revenue through license fees for the development and commercialization our product candidate, entinostat. We make judgments that affect the periods over which we recognize revenue. We recognize revenue when (i) persuasive evidence of an arrangement exists; (ii) transfer of technology has been completed, services have been performed or products have been delivered; (iii) the fee is fixed and determinable; and (iv) collection is reasonably assured. For revenue agreements with multiple-elements, we identify the deliverables included within the agreement and evaluate which deliverables represent separate units of accounting based on the achievement of certain criteria including whether the deliverable has stand-alone value to the collaborator. Upfront payments received in connection with licenses of our technology rights are deferred if facts and circumstances dictate that the license does not have stand-alone value and are recognized as license revenue over the estimated period of performance that is generally consistent with the terms of the research and development obligations contained in the specific license agreement. We periodically review our estimated periods of performance based on the progress under each arrangement and account for the impact of any changes in estimated periods of performance on a prospective basis.

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

As part of the process of preparing our consolidated financial statements, we are required to estimate our accrued research and development expenses. This process involves reviewing contracts and vendor agreements, communicating with our applicable personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of actual cost. The majority of our service providers invoice us monthly in arrears for services performed. We make estimates of our accrued expenses as of each balance sheet date in our consolidated financial statements based on facts and circumstances known to us at that time. Examples of estimated accrued research and development expenses include fees paid to CROs and investigative sites in connection with clinical studies and to vendors related to product manufacturing and development of clinical supplies.

We base our expenses related to clinical studies on our estimates of the services received and efforts expended pursuant to contracts with multiple research institutions and CROs that conduct and manage clinical studies on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows and expense recognition. Payments under some of these contracts depend on factors out of our control, such as the successful enrollment of patients and the completion of clinical trial milestones. In accruing service fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies

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from our estimate, we adjust the accrual accordingly. Although we do not expect our estimates to be materially different from amounts actually incurred, if our estimates of the status and timing of services performed differ from the actual status and timing of services performed, we may report amounts that are too high or too low in any particular period. To date, we have not experienced any significant adjustments to our estimates.

### ***Stock-Based Compensation***

We issue stock-based awards to employees and non-employees, generally in the form of stock options. We account for our stock-based awards in accordance with FASB Accounting Standards Codification, or ASC, Topic 718, *Compensation—Stock Compensation*, or ASC 718. ASC 718 requires all stock-based payments to employees, including grants of employee stock options and modifications to existing stock options, to be recognized in the consolidated statements of operations and comprehensive loss based on their fair values. We account for stock-based awards to non-employees in accordance with FASB ASC Topic 505-50, *Equity-Based Payments to Non-Employees*, which requires the fair value of the award to be re-measured at fair value as the award vests. We recognize the compensation cost of stock-based awards on a straight-line basis over the vesting period of the award for employees and non-employees, which is generally four years. Compensation expense related to our stock-based awards is subject to a number of estimates, including the estimated volatility and underlying fair value of our common stock as well as the estimated life of the awards. For a detailed description of how we estimate fair value for purposes of option grants and the methodology used in measuring stock-based compensation expense, see “Stock-Based Compensation and Common Stock Valuations” below. Following the completion of this offering, stock option values will be determined based on the market price of our common stock on the NASDAQ Global Market.

### ***Derivative Instruments***

We have recorded common and convertible preferred stock warrants issued to investors and note holders and common stock warrants issued in connection with license agreements as derivative financial liabilities. These warrants were initially recorded at fair value with gains and losses arising from changes in fair value recognized in the consolidated statements of operations and comprehensive loss at each period end while such instruments are outstanding. The liabilities were valued using a Black-Scholes option-pricing model. The significant assumptions used in estimating the fair value of our warrant liabilities include the exercise price, volatility of the stock underlying the warrant, risk-free interest rate, estimated fair value of the stock underlying the warrant, and the estimated life of the warrant. With the exception of the Bayer common stock warrant, the common and convertible preferred stock warrants issued to investors and note holders were canceled in connection with the first tranche of the Series B-1 financing in March 2013, and the liabilities were de-recognized on that date.

We determined that our obligation to issue, and our investors’ obligation to purchase, additional shares of Series B-1 convertible preferred stock represented a freestanding instrument. The freestanding tranche liability was initially recorded at fair value, with gains and losses arising from changes in fair value recognized in other income (expense) in the consolidated statements of operations and comprehensive loss at each period end while such instruments were outstanding. The liabilities were valued using a Black-Scholes option pricing model. The significant assumptions used in estimating the fair value of our tranche liabilities included the exercise price, volatility of the stock underlying the liability, risk-free interest rate, estimated fair value of the stock, and the estimated life of the right. Upon the closing of the final tranche of the Series B-1 financing in November 2013, we de-recognized the tranche obligation, which resulted in a net increase in the proceeds allocated to the

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shares of Series B-1 convertible preferred stock of \$7.0 million. The fair value of the remaining tranche obligations was re-measured just prior to the closing and as a result of the changes in the fair value of the tranche obligations, we recorded an aggregate of \$3.1 million to other income (expense) in the consolidated statements of operations and comprehensive loss during the year ended December 31, 2013.

In 2014, we recorded a derivative liability related to the 2014 term loans for the contingent success fee owed upon the occurrence of an initial public offering, or IPO, or other change of control events. The estimated fair value was determined using a PWERM approach. The fair value of the derivative will be re-measured at each balance sheet date until the liability is settled and any changes in the fair value of the derivative liability will be recorded in other income (expense) in the consolidated statements of operations and comprehensive loss.

### ***Stock-Based Compensation and Common Stock Valuations***

#### ***Stock-Based Compensation***

We estimate the fair value of our stock-based awards to employees and non-employees using the Black-Scholes option pricing model, which requires the input of highly subjective assumptions, including (a) the expected volatility of our stock, (b) the expected term of the award, (c) the risk-free interest rate (d) expected dividends and (e) the fair value of our common stock on the date of grant. Due to the lack of a public market for the trading of our common stock and a lack of company-specific historical and implied volatility data, we have based our estimates of expected volatility on the historical volatility of a group of publicly traded companies in the life sciences and biotechnology industries generally in a similar stage of development as ourselves. For these analyses, we have selected companies that we consider broadly comparable to our company and with historical share price information sufficient to meet the expected life of the stock-based awards. We compute the historical volatility data using the daily closing prices for the selected companies' shares during the equivalent period of the calculated expected term of our stock-based awards. We will continue to apply this methodology until a sufficient amount of historical information regarding the volatility of our own stock price becomes available. For options granted to employees in 2013, 2014 and 2015, we determined the expected term based on an average of expected terms used by a peer group of similar public companies. The risk-free interest rates for periods within the expected life of the option are based on the U.S. Treasury yield curve in effect during the period the options were granted.

We are also required to estimate forfeitures at the time of grant and revise estimates in subsequent periods if actual forfeitures differ from estimates. We use historical data to estimate pre-vesting option forfeitures and record stock-based compensation expense only for those awards that are expected to vest. To the extent that actual forfeitures differ from our estimates, the difference is recorded as a cumulative adjustment in the period the estimates were revised. Stock-based compensation expense recognized in the consolidated financial statements is based on awards that are ultimately expected to vest.

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We have computed the fair value of employee and non-employee stock options at date of grant using the following weighted-average assumptions:

	Years Ended December 31,		Nine Months Ended September 30,	
	2013	2014	2014	2015
Expected term (in years)	6.29	5.96	6.00	5.85
Volatility rate	68.42%	70.36%	70.79%	69.93%
Risk-free interest rate	1.13%	1.91%	1.95%	1.73%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

Stock-based compensation for employees and non-employees was allocated as outlined below (in thousands):

(in thousands)	Years Ended December 31,		Nine Months Ended September 30,	
	2013	2014	2014	2015
Research and development	\$ 326	\$ 527	\$ 452	\$ 603
General and administrative	1,089	1,730	1,395	2,109
Total	<u>\$ 1,415</u>	<u>\$ 2,257</u>	<u>\$ 1,847</u>	<u>\$ 2,712</u>

As of September 30, 2015, total unrecognized compensation expense was \$10.1 million, net of related forfeiture estimates; and the weighted-average remaining requisite service period was 3.4 years. We expect the impact of our stock-based compensation expense for stock options granted to employees and non-employees to grow in future periods due to the potential increases in the value of our common stock and in headcount.

### **Common Stock Valuations**

We are a private company with no public market for our common stock. Therefore, our board of directors determines the fair value of our common stock considering, in part, the work of an independent third-party valuation specialist. The valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately-Held Company Equity Securities Issued as Compensation*, also known as the Practice Aid. In conducting these valuations, our board of directors considered all objective and subjective factors that it believed to be relevant, including its and management's best estimates of our business condition, prospects and operating performance at each grant date. The valuations, assumptions and methodologies included, among other things:

- any recent contemporaneous third-party valuations prepared in accordance with methodologies outlined in the Practice Aid;
- the prices of our convertible preferred stock sold to investors in arm's length transactions and the rights, preferences and privileges of our convertible preferred stock as compared to those of our common stock, including the liquidation preferences of our convertible preferred stock;
- our results of operations, financial position and the status of research and development efforts;
- the lack of liquidity of our common stock as a private company;

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- our stage of development and business strategy and the material risks related to our business and industry;
- the composition of, and changes to, our management team and board of directors;
- the achievement of enterprise milestones, including entering into collaboration and license agreements;
- the valuation of comparable publicly traded companies in the life science and biotechnology sectors, as well as recently completed mergers and acquisitions of peer companies;
- the likelihood of achieving a liquidity event for our stockholders, such as an IPO or a sale of our company, given prevailing market conditions; and
- any external market conditions affecting the life science and biotechnology sectors.

There are significant judgments and estimates inherent in the determination of the fair value of our common stock. These judgments and estimates include assumptions regarding our future operating performance, the time to completing an IPO or other liquidity event and the determinations of the appropriate valuation methods. If we had made different assumptions, our stock-based compensation expense, net loss and net loss per common share could have been significantly different. The valuations are highly complex and subjective.

### ***Common Stock Valuation Methodologies***

In valuing our common stock, we used the market approach, which is based on the assumption that the value of an asset is equal to the value of a substitute asset with the same characteristics. The following market approaches were utilized in our valuations:

- **Guideline Public Company Method.** The guideline public company market approach estimates the value of a business by comparing a company to comparable publicly traded companies.
- **Precedent Transaction Method.** The precedent transaction market approach estimates the value of a business based on the utilization of a company's own relevant stock transactions.

In accordance with the Practice Aid, we considered the various methods for allocating the enterprise value across our classes and series of capital stock to determine the fair value of our common stock at each valuation date. We selected the PWERM approach to allocate the equity value among the various share classes given our stage of development, the availability of relevant data and our expectation that we are able to forecast distinct future liquidity scenarios as of each valuation date. Under the PWERM approach, share value is derived from the probability-weighted present value of expected future investment returns, considering each of the possible outcomes available to us, as well as the economic and control rights of each share class. For each valuation, the fair value of our common stock was estimated using a probability-weighted analysis of the present value of the returns afforded to our common stockholders under several future exit or liquidity event scenarios, including (1) an IPO, (2) a trade sale of our company at a high premium to the cumulative amounts invested by our convertible preferred stock investors, or trade sale high, (3) a trade sale of our company at a lesser premium to the cumulative amounts invested by convertible preferred stock investors, or trade sale low and (4) a trade sale of our company at a value below the cumulative amounts invested by convertible preferred stock investors, or trade sale below liquidation preference.



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After the projected equity value in each scenario was allocated to the various share classes, we calculated the present value of each share class using an appropriate risk-adjusted discount rate based on consideration of the venture capital rates of return detailed in the Practice Aid and an analysis of other quantitative and qualitative factors considered pertinent to estimating the discount rate. Next, we applied a discount for lack of marketability to our common shares because we were valuing a minority interest in our company as a closely held, non-public company with no liquid market for its shares. The discount for lack of marketability was based on quantitative models (protective put option calculation), as well as empirical studies of restricted stock issued by publicly traded companies and private placements by pre-IPO companies. We also considered the rights and privileges of our convertible preferred stock relative to our common stock, including anti-dilution protection, cumulative dividend rights, protective provisions in our certificate of incorporation and rights to participate in future rounds of financing. Finally, we assigned a probability weighting to each scenario based on our estimate of the likelihood of occurrence, as of each valuation date. In each case the future projected enterprise values were based on a review of both guideline IPO and M&A transactions involving life science and biotechnology companies that we considered broadly comparable to our company.

For valuations after the completion of this offering, our board of directors will determine the fair value of each share of underlying common stock based on the closing price of our common stock on the date of grant, as reported on the NASDAQ Global Market.

### **Stock Option Grants**

The following table summarizes stock options granted from January 1, 2014 through January 4, 2016:

	<b>Number of Common Shares Underlying Options Granted</b>	<b>Exercise Price Per Common Share</b>	<b>Fair Value Per Common Share</b>	<b>Intrinsic Value Per Common Share at Grant Date</b>
January 23, 2014	107,854 <sup>(1)</sup>	\$ 16.85	\$ 16.85	\$ —
February 4, 2014	108,263 <sup>(1)</sup>	\$ 16.85	\$ 16.85	\$ —
February 25, 2014	14,242	\$0.00123	\$ 16.85	\$ 16.85
September 4, 2014	488	\$ 5.05	\$ 5.05	\$ —
September 15, 2014	331,857 <sup>(2)</sup>	\$ 5.05	\$ 5.05	\$ —
December 18, 2014	128,847	\$ 5.08	\$ 5.08	\$ —
June 1, 2015	558,576	\$ 5.76	\$ 5.76	\$ —
June 1, 2015	14,242 <sup>(3)</sup>	\$0.00123	\$ 5.76	\$ 5.76
June 30, 2015	685,280	\$ 5.76	\$ 5.76	\$ —
August 18, 2015	308,100	\$ 5.76	\$ 8.72	\$ 2.96
August 20, 2015	30,000	\$ 5.76	\$ 8.72	\$ 2.96
September 9, 2015	796,194	\$ 8.72	\$ 8.72	\$ —
December 2, 2015	25,300	\$ 8.90	\$ 8.90	\$ —

(1) On September 15, 2014, 331,857 options with exercise prices ranging from \$12.30 to \$38.13, including all of the options issued on January 23, 2014 and February 4, 2014, were canceled in connection with an option exchange program with existing option holders for an aggregate 331,857 options priced at \$5.05.

(2) These options were granted in connection with an option exchange program with existing option holders.

(3) This option was granted as a replacement option for the option granted on February 25, 2014, which expired on December 31, 2014.

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The intrinsic value of all outstanding options as of September 30, 2015 was \$            million based on the estimated fair value of our common stock of \$            per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, of which approximately \$            million related to vested options and approximately \$            million related to unvested options.

## Results of Operations

### Comparison of the Nine Months Ended September 30, 2014 and 2015:

(in thousands)	Nine Months Ended September 30,		Increase (Decrease)	
	2014	2015	\$	%
Revenues:				
License fees	\$ —	\$ 322	\$ 322	100%
Total revenues	—	322	322	100%
Operating expenses:				
Research and development	8,720	6,962	(1,758)	(20)%
General and administrative	9,323	9,194	(129)	(1)%
Total operating expenses	18,043	16,156	(1,887)	(10)%
Loss from operations	(18,043)	(15,834)	(2,209)	(12)%
Other income (expense):				
Interest income (expense), net	(24)	(890)	866	3608%
Change in fair value of common stock warrant liability	1,787	(2,085)	(3,872)	(217)%
Other income (expense), net	—	(47)	47	100%
Total other income (expense)	1,763	(3,022)	(4,785)	(271)%
Net loss	<u>\$ (16,280)</u>	<u>\$ (18,856)</u>	<u>\$ 2,576</u>	<u>16%</u>

### License Fees

For the nine months ended September 30, 2015, we recognized license fees of \$0.3 million derived from the KHK license agreement. The arrangement consideration of \$17.3 million was allocated to the license unit of accounting and will be recognized as revenue ratably over our expected service period (currently expected to be through 2029), commencing on the date of the first delivery of the clinical trial materials. In June 2015, we began delivering clinical supplies to KHK and commenced recognizing revenue.

### Research and Development

For the nine months ended September 30, 2015, our total research and development expenses decreased \$1.8 million, or 20%, to \$6.9 million from \$8.7 million for the comparable period in the prior year. Research and development for the nine months ended September 30, 2014, included the achievement of a \$2.0 million development milestone under the license agreement with Bayer Pharma AG (formerly known as Bayer Schering Pharma AG), or Bayer, and the expenses related to the suspension of the planned 305 clinical trial in the third quarter of 2014. In addition, for the nine months ended September 30, 2015, spending related to the Phase 3 clinical trial of entinostat increased \$0.6 million, spending related to the new ENCORE 601 study increased \$0.5 million and employee compensation costs increased \$0.2 million. The increase in employee compensation costs was primarily due to stock-based compensation.

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Research and development expenses consisted of the following:

(in thousands)	Nine Months Ended September 30,		Increase (Decrease)	
	2014	2015	\$	%
External research and development expenses	\$ 6,371	\$ 4,367	\$(2,004)	(31)%
Internal research and development expenses	2,349	2,595	246	10%
Total research and development expenses	<u>\$ 8,720</u>	<u>\$ 6,962</u>	<u>\$(1,758)</u>	<u>(20)%</u>

### ***General and Administrative***

For the nine months ended September 30, 2015, our total general and administrative expenses decreased to \$9.2 million from \$9.3 million for the comparable period in the prior year. The decrease in general and administrative expenses was primarily due to the write-off of previously capitalized costs of \$4.3 million incurred in connection with preparing for an IPO in September 2014, which was offset by increases in compensation costs of \$2.3 million and legal and consulting costs of \$1.9 million for the nine months ended September 30, 2015. The increase in compensation costs was due to costs related to an increase in headcount as well as employee termination costs of \$1.3 million, including \$0.7 million of stock compensation expense. The increase in legal and consulting costs was primarily related to business development activities and intellectual property and trademark filings.

### ***Interest Income (Expense), Net***

For the nine months ended September 30, 2015, interest income (expense), net, increased \$0.9 million from \$0 in the comparable period in the prior year. The increase was due to interest expense on the \$5.0 million convertible notes that were issued during the third quarter of 2014 as well as interest expense on the \$9.0 million in term loans that were funded in September and December of 2014. There was no interest-bearing debt outstanding during the nine months ended September 30, 2014. Interest income was insignificant for both periods.

### ***Change in Fair Value of Common Stock Warrant Liability***

The increase of \$3.9 million in the change in fair value of common stock warrant liability for the nine months ended September 30, 2015 compared to the comparable period in the prior year was due to an increase in the fair value of the Bayer common stock warrant liability. At each period end, the fair value of the outstanding common stock warrant liability is re-measured, and the change in the fair value is recorded in other income (expense) in the consolidated statements of operations and comprehensive loss.

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**Comparison of the Years Ended December 31, 2013 and 2014:**

(in thousands)	Years Ended December 31,		Increase (Decrease)	
	2013	2014	\$	%
<b>Operating expenses:</b>				
Research and development	\$ 3,208	\$ 10,175	\$ 6,967	217%
General and administrative	5,363	11,157	5,794	108%
Total operating expenses	8,571	21,332	12,761	149%
<b>Other income (expense):</b>				
Interest income (expense), net	(771)	(289)	(482)	(63)%
Change in fair value of common stock warrant liability	(1,943)	1,789	(3,732)	(192)%
Change in fair value of convertible preferred stock warrant liability	128	—	(128)	(100)%
Change in fair value of tranche liability	(3,144)	—	(3,144)	(100)%
Other income (expense), net	130	4	(126)	(97)%
Total other income (expense)	(5,600)	1,504	7,104	127%
Net loss	<u>\$ (14,171)</u>	<u>\$ (19,828)</u>	<u>\$ 5,657</u>	<u>40%</u>

**Research and Development.**

For the year ended December 31, 2014, our total research and development expenses increased \$7.0 million, or 217%, to \$10.2 million from \$3.2 million for the prior year. The increase in research and development expenses was primarily due to \$1.5 million in start-up activities related to the E2112 Phase 3 clinical trial of entinostat, the achievement of a \$2.0 million development milestone under the license agreement with Bayer and increased employee compensation costs of \$1.9 million related to increased headcount, salary increases on existing headcount, recruiting costs and stock-based compensation expense. The stock-based compensation included \$0.1 million related to the modification of stock options that occurred in September 2014 as a result of the acceleration of vesting in connection with an option exchange program. The increase in research and development expense was also related to the decision in the third quarter of 2014 to suspend the planned ENCORE 305 clinical trial, including \$0.9 million in closedown costs and \$0.6 million in write-down of inventory.

Research and development expenses consisted of the following:

(in thousands)	Years Ended December 31,		Increase (Decrease)	
	2013	2014	\$	%
External research and development expenses	\$ 1,489	\$ 7,241	\$ 5,752	386%
Internal research and development expenses	1,719	2,934	1,215	71%
Total research and development expenses	<u>\$ 3,208</u>	<u>\$ 10,175</u>	<u>\$ 6,967</u>	<u>217%</u>

**General and Administrative**

For the year ended December 31, 2014, our total general and administrative expenses increased \$5.8 million, or 108%, to \$11.2 million from \$5.4 million for the prior year. The increase in general and administrative expenses was primarily driven by the write-off of previously capitalized costs of \$4.3 million incurred in connection with preparing for an IPO in 2014, an increase of \$0.8 million in employee compensation costs and an increase of \$0.6 million of professional fees related to business

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development and consultant costs. During the third quarter of 2014, we determined that it was likely that our IPO would be postponed for a period in excess of 90 days. As a result, we immediately expensed previously deferred IPO costs, consisting of legal, accounting and printing costs of \$4.2 million, as well as \$0.1 million of IPO costs incurred in the third and fourth quarters related to selling, general and administrative expenses. The employee compensation costs related to increased headcount and salary increases for existing headcount, as well as recruiting costs and stock-based compensation expense. The stock-based compensation included \$0.4 million related to the modification of stock options that occurred in September 2014 as a result of the acceleration of vesting in connection with an option exchange program.

### ***Interest Income (Expense), Net***

For the year ended December 31, 2014, interest income (expense), net, decreased \$0.5 million to \$0.3 million from \$0.8 million for the prior year primarily as a result of the conversion of our convertible notes into convertible preferred stock in March 2013. Interest expense for the year ended December 31, 2014, included interest on the \$5.0 million convertible notes that were issued during third quarter of 2014 as well as interest on the outstanding term loans funded during the second half of 2014.

### ***Change in Fair Value of Common and Convertible Preferred Stock Warrant Liability***

At each period end, the fair value of the outstanding common and preferred stock warrant liabilities is re-measured and the change in fair value is recorded in other income (expense), net, in the consolidated statements of operations and comprehensive loss. The decrease of \$3.7 million in the change in fair value of common stock warrant liability for the year ended December 31, 2014, compared to the year ended December 31, 2013, was primarily due to a decrease in the fair value of the Bayer common stock warrant liability. In addition, in March 2013, in conjunction with the issuance of our Series B-1 convertible preferred stock, the warrants to purchase common stock and convertible preferred stock issued to investors and note holders were canceled and de-recognized on the date of cancellation. The decrease of \$0.1 million in the change in the fair value of the convertible preferred stock warrant liability for the year ended December 31, 2014, compared to the year ended December 31, 2013, was primarily due to the cancellation of the warrants.

### ***Change in Fair Value of Tranche Liability***

For the year ended December 31, 2013, we recognized a change in fair value of the tranche liability of \$3.1 million as a result of the fair value re-measurement on a mark-to-market basis during the period. As the tranche liability was associated with the Series B-1 financing, which occurred in 2013, there were no charges recorded during 2014 related to the tranche liability.

## **Liquidity and Capital Resources**

Since our inception and through September 30, 2015, we have raised an aggregate of \$185.8 million to fund our operations from the sale of convertible preferred stock and convertible debt securities. As of September 30, 2015 and December 31, 2015, our cash, cash equivalents and short-term investments were \$100.2 million and \$86.5 million, respectively.

We have incurred losses and cumulative negative cash flows from operations since our inception; and as of September 30, 2015, we had an accumulated deficit of \$252.1 million. We anticipate that we will continue to incur significant losses for at least the next several years. We expect that our research

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and development and general and administrative expenses will continue to increase. As a result, we will need additional capital to fund our operations, which we may raise through a combination of the sale of equity, debt financings, or other sources, including potential collaborations.

In August 2015, we issued an additional 5,472,390 shares of Series C-1 for \$61.1 million, net of offering costs of \$0.2 million, and recorded accretion of \$46.1 million to record the convertible preferred stock at its redemption value on the date of issuance.

As further discussed below in the section titled “Indebtedness,” we prepaid the \$8.3 million outstanding balance of the loan and security agreement with Solar Capital Ltd., or Solar, plus accrued interest and a final fee and prepayment penalty on October 1, 2015.

### **Indebtedness**

#### ***Solar Capital Ltd.***

In June 2014, we entered into a loan and security agreement with Solar as collateral agent and lender, consisting of a \$15.0 million senior secured term loan facility. The loan is secured by substantially all of our existing and after-acquired assets except our intellectual property, but including right of payment with respect to any such intellectual property and all proceeds from the disposition of any such intellectual property. Our intellectual property is subject to a negative pledge. In September and December 2014, we amended the term loan facility. The term loan facility has a maturity date in June 2018.

In September 2014, the initial term loan, or the Term A Loan, was funded in the aggregate principal amount of \$5.0 million. In December 2014, an additional term loan, or the Term C Loan, in the aggregate principal amount of \$4.0 million was funded with the post-closing condition that we enter into a strategic transaction in Japan or Korea and receive \$7.5 million in net equity proceeds and \$17.5 million in license-related proceeds. We received the \$7.5 million in net equity proceeds in full in January 2015, pursuant to the Series B-1 preferred stock purchase agreement with KHK, or the KHK stock purchase agreement, and \$17.5 million in license-related proceeds in full in February 2015, pursuant to the KHK license agreement.

Interest will accrue at a floating rate per annum equal to LIBOR plus 8.8%, payable monthly in arrears. In connection with the term loan facility, we paid a closing fee of \$170,000 and other transactional and legal costs of \$140,000. Upon the completion of this offering, we will be required to pay a \$150,000 success fee that will be due on the earlier of the maturity date of the term loan facility or upon the occurrence of certain change of control or liquidity events. In addition, we are required to pay a final fee equal to 4% of the amount of term loans funded that will be due on the earlier of the maturity date of the term loan facility or upon the occurrence of certain change of control or liquidity events. We are required to make interest-only payments on the funded term loans until July 1, 2015. Beginning on July 1, 2015, we are required to make consecutive monthly payments of principal plus accrued interest in equal monthly installments until the maturity date. We have the option to prepay the term loans provided we pay a prepayment fee equal to 2% of the outstanding principal if paid prior to the one-year anniversary of the funding and 1% of the outstanding principal if paid after the one-year anniversary of the funding.

We have incurred \$0.3 million of debt issuance costs related to the term loan facility, which is being amortized as interest expense over the term of the loans are expected to be outstanding. As of

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September 30, 2015, there was \$8.3 million outstanding under this term loan facility. On October 1, 2015, we prepaid the outstanding balance of the term loans of \$8.3 million plus accrued interest of \$0.1 million, and a final fee and prepayment penalty of \$0.4 million. In the fourth quarter of 2015, we will record an expense of \$0.3 million for the final fee and prepayment penalty, and will write off \$0.3 million of unamortized debt discount and deferred issuance costs related to the term loans.

### **2014 Convertible Notes**

In September 2014, we entered into a bridge loan financing with various investors, in which we issued for an aggregate principal amount of \$5.0 million (the 2014 Notes). We received \$4.9 million in the first closing, which occurred in September 2014, and received \$0.1 million in the second closing, which occurred in October 2014. The 2014 Notes accrued interest at 6% per annum and had a maturity date of September 30, 2015 and were convertible upon the occurrence of certain events during the period that the 2014 Notes were outstanding. In June 2015, as a result of the first close of our Series C-1 financing, the 2014 Notes and the related interest of \$0.2 million were converted into 465,563 shares of Series C-1 at an original issuance price of \$11.19 per share, which was the price paid by other investors in the financing.

### **Plan of Operations and Future Funding Requirements**

Our primary uses of capital are, and we expect will continue to be, compensation and related expenses, third-party clinical research and development services, clinical costs, legal and other regulatory expenses and general overhead costs. We believe that the net proceeds from this offering, together with our existing cash and cash equivalents, will fund our projected operating expenses and capital expenditure requirements for at least the next 24 months.

We have based our estimates on assumptions that may prove to be incorrect, and we could use our capital resources sooner than we currently expect. Additionally, the process of testing drug candidates in clinical trials is costly, and the timing of progress in these trials is uncertain. We cannot estimate the actual amounts necessary to successfully complete the development and commercialization of our drug candidate or whether, or when, we may achieve profitability. Our future capital requirements will depend on many factors, including:

- the initiation, progress, timing, costs and results of clinical trials for entinostat;
- the outcome, timing and cost of seeking and obtaining regulatory approvals from the FDA and comparable foreign regulatory authorities, including the potential for such authorities to require that we perform more trials than we currently expect;
- the cost to establish, maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with licensing, preparing, filing, prosecuting, defending and enforcing any patents or other intellectual property rights;
- market acceptance of entinostat;
- the cost and timing of selecting, auditing and developing manufacturing capabilities, and potentially validating manufacturing sites for commercial-scale manufacturing;
- the cost and timing for obtaining pricing and reimbursement, which may require additional trials to address pharmacoeconomic benefit;

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- the cost of establishing sales, marketing and distribution capabilities for entinostat if entinostat receives regulatory approval and we determine to commercialize it ourselves;
- the costs of acquiring, licensing or investing in additional businesses, products, product candidates and technologies;
- the effect of competing technological and market developments; and
- our need to implement additional internal systems and infrastructure, including financial and reporting systems, as we become a public company.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings and additional funding from license and collaboration arrangements. Except for any obligations of our collaborators to reimburse us for research and development expenses or to make milestone payments under our agreements with them, we will not have any committed external source of liquidity.

To the extent that we raise additional capital through the future sale of equity or debt, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our existing common stockholders. If we raise additional funds through collaboration arrangements in the future, we may have to relinquish valuable rights to our technologies, future revenue streams or drug candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market drug candidates that we would otherwise prefer to develop and market ourselves.

### Cash Flows

The following is a summary of cash flows:

(in thousands)	Years Ended December 31,		Nine Months Ended September 30,	
	2013	2014	2014	2015
Net cash (used in) provided by operating activities	\$ (7,295)	\$ (14,393)	\$ (10,918)	\$ 1,867
Net cash (used in) provided by investing activities	(4,027)	1,888	3,988	(44,111)
Net cash provided by (used in) financing activities	20,889	12,410	8,415	86,449
Net increase (decrease) in cash and cash equivalents	<u>\$ 9,567</u>	<u>\$ (95)</u>	<u>\$ 1,485</u>	<u>\$ 44,205</u>

### *Net Cash (Used in) Provided by Operating Activities*

Net cash used in operating activities for the nine months ended September 30, 2014 was \$10.9 million compared to \$1.9 million of net cash provided by operating activities for the nine months ended September 30, 2015. The increase in cash provided by operating activities for the nine months ended September 30, 2015 of \$12.8 million was primarily due to increases in deferred revenue of \$17.0 million and in accounts payable of \$1.1 million partially offset by an increase in our net loss of \$1.7 million (adjusted for non-cash items) and by increases in deposits of \$0.2 million and prepaid and other assets of \$0.6 million and a decrease in accrued expenses and other liabilities of \$2.8 million. The increase in deferred revenue of \$17.0 million was due to the proceeds we received during the first quarter of 2015 from the KHK license agreement related to the upfront license fee of \$17.3 million, net



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of license fee revenue recognized during the nine months ended September 30, 2015. Our net loss for the nine months ended September 30, 2014, adjusted for non-cash items such as stock-based compensation, change in fair value of derivative, change in fair value of warrants and amortization and accretion, was \$11.9 million, compared to \$13.6 million for the nine months ended September 30, 2015.

Net cash used in operating activities for the year ended December 31, 2013, was \$7.3 million compared to \$14.4 million used for the year ended December 31, 2014. The increase in cash used in operating activities for the year ended December 31, 2014 of \$ 7.1 million was primarily due to an increase in our net loss of \$7.6 million (adjusted for non-cash items) and decreases in short-term deposits of \$0.1 million and prepaid expenses and other assets of \$0.2 million and an increase in accrued expenses and other liabilities of \$0.6 million, slightly offset by a decrease in accounts payable of \$0.4 million. Our net loss for the year ended December 31, 2013, adjusted for non-cash items such as stock-based compensation, change in fair value of embedded derivative, change in fair value of tranche liability, change in fair value of warrants, the write-off of the IPO costs and amortization of debt discount was \$7.3 million, compared to \$14.9 million for the year ended December 31, 2014. The higher loss for the year ended December 31, 2014 was attributable to increased research and development expenses due to the start-up activities related to the Phase 3 clinical trial of \$1.5 million, the \$2.0 million development milestone paid to Bayer, \$1.5 million of costs related to the suspension of the planned ENCORE 305 clinical trial, and increased general and administrative expenses incurred in connection with preparing for our IPO.

### ***Net Cash (Used in) Provided by Investing Activities***

Net cash provided by investing activities for the nine months ended September 30, 2014 was \$4.0 million compared to net cash used in investing activities of \$44.1 million for the nine months ended September 30, 2015. The increase in cash used in investing activities of \$48.1 million was primarily due to the purchases of short-term investments, net of sales and maturities, from the \$25.0 million of proceeds from the licensing fees and equity investment under the KHK license and stock purchase agreements, which were received during the first quarter of 2015, the \$18.7 million of gross proceeds from the Series C-1 financing, which were received during the second quarter of 2015 and the \$61.3 million of gross proceeds from the Series C-1 financing, which were received during the third quarter of 2015.

Net cash used in investing activities for the year ended December 31, 2013 was \$4.0 million compared to net cash provided by investing activities of \$1.9 million for the year ended December 31, 2014. The increase in cash provided by investing activities of \$5.9 million for the year ended December 31, 2014 was primarily due to the proceeds from sales and maturities of short-term investments, net of purchases, which did not occur during the comparable period in the prior year.

### ***Net Cash Provided by Financing Activities***

Net cash provided by financing activities for the nine months ended September 30, 2014 was \$8.4 million compared to \$86.4 million for the nine months ended September 30, 2015. During the nine months ended September 30, 2014, we received \$5.0 million proceeds from the Term A Loan and \$4.9 million from the issuance of convertible debt in the form of convertible notes, which was partially offset by \$1.5 million of deferred issuance costs related to the 2014 IPO and debt issuances. During the nine months ended September 30, 2015, we received the proceeds from the KHK license and stock

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purchase agreements, of which \$7.7 million related to the issuance of the Series B-1, and proceeds from the Series C-1 financings of \$79.6 million, net of \$0.4 million of issuance costs.

Net cash provided by financing activities for the year ended December 31, 2013 was \$20.9 million compared to \$12.4 million for the year ended December 31, 2014. During the year ended December 31, 2013, we received \$26.1 million from the issuance of convertible preferred stock, net of issuance costs, and \$0.7 million from the issuance of debt, partially offset by \$4.4 million of term loan repayments. During the year ended December 31, 2014, we received \$9.0 million proceeds from the Term A and C Loans and \$5.0 million from the issuance of convertible debt in the form of convertible notes, which was partially offset by \$1.6 million of deferred issuance costs related to the IPO and debt issuances.

### Contractual Obligations and Contingent Liabilities as of December 31, 2014

The following table summarizes our significant contractual obligations as of December 31, 2014:

(in thousands)	Total	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years
Operating lease for office space <sup>(1)</sup>	\$ 272	\$ 118	\$ 154	\$ —	\$ —
Capital lease for office equipment <sup>(2)</sup>	13	3	7	3	—
Term Loans <sup>(3)</sup>	11,154	2,260	6,844	2,050	—
Convertible notes <sup>(4)</sup>	5,300	5,300	—	—	—
	<u>\$16,739</u>	<u>\$ 7,681</u>	<u>\$7,005</u>	<u>\$2,053</u>	<u>\$ —</u>

- (1) In December 2013, we entered into a 40-month non-cancelable operating lease for office space in Waltham, Massachusetts that expires on April 10, 2017. On December 22, 2015, we entered into a new five-year building lease for office space in New York, New York, commencing on January 1, 2016. The total operating lease obligation for this lease is \$1.4 million. We have the right to terminate the lease after 38 months as long as proper notice is given and a termination fee equal to three months' rent is paid on the lease termination date.
- (2) In December 2013, we entered into a 60-month non-cancelable lease for office equipment, which is accounted for as a capital lease. The leased asset is included in property, plant and equipment, at cost.
- (3) In June 2014, we entered into a term loan facility. In September 2014, the Term A Loan for \$5.0 million was funded and in December 2014, the Term C Loan for \$4.0 million was funded. The amounts in this table reflect the contractually required principal and interest payments in accordance with the payment schedule and the final fee and the success fee. On October 1, 2015, we prepaid the outstanding balance of the term loan facility. We are obligated to make a payment of \$150,000 (success fee) upon the completion of an IPO or upon the occurrence of certain change of control or liquidity events.
- (4) In September 2014, we entered into a convertible note purchase agreement with various accredited investors, for \$5.0 million. The convertible notes issued in connection with the convertible note purchase agreement accrue interest at 6% per annum and mature on September 30, 2014. The amounts in this table reflect the principal and accrued interest on the convertible notes. In June 2015, as part of the Series C-1 convertible preferred stock financing, the 2014 convertible notes and related accrued interest were converted into 465,563 shares of Series C-1.

The contractual obligations table does not include any potential contingent payments upon the achievement by us of clinical, regulatory and commercial events, as applicable, or royalty payments we may be required to make under license agreements we have entered into with various entities pursuant to which we have in-licensed certain intellectual property, including the Bayer license agreement. See "Business—Intellectual Property—In-Licensed Intellectual Property" for additional information. The table also excludes potential payments we may be required to make under manufacturing agreements

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as the timing of when these payments will actually be made is uncertain and the payments are contingent upon the initiation and completion of future activities. In June 2014, we achieved a research and development milestone under the Bayer license agreement, and in accordance with the terms of the agreement, we recorded \$2.0 million of research and development expense. We paid \$1.0 million related to this milestone in December 2014 and paid the remaining balance in January 2015.

In March 2014, we entered into a clinical trial agreement with Eastern Cooperative Oncology Group, a contracting entity for ECOG-ACRIN, that describes the parties' obligations with respect to the NCI-sponsored pivotal Phase 3 clinical trial of entinostat. We will provide a fixed level of financial support for the clinical trial through an upfront payment of \$695,000 and a series of time- and milestone-based payments of up to \$970,000, and we are obligated to supply entinostat and placebo to ECOG-ACRIN for use in the clinical trial. The terms of this agreement were amended in February 2015 to provide additional payments to investigators of \$1.2 million. As of the effective date of the amendment, our aggregate payment obligations are approximately \$20.6 million over an estimated period of approximately seven years.

### **Net Operating Loss and Research and Development Tax Credit Carryforwards**

At December 31, 2014, we had federal and state tax net operating loss carryforwards of \$32.7 million and \$24.5 million, respectively. The federal and state net operating loss carryforwards expire beginning in 2015 and ending in 2034. At December 31, 2014, we had available income tax credits of \$1.5 million, which are available to reduce future income taxes, if any. These income tax credits begin to expire in 2020.

Utilization of the net operating losses and credits may be subject to a substantial annual limitation due to ownership change limitations provided by the Internal Revenue Code of 1986, as amended. The annual limitation may result in the expiration of our net operating losses and credits before we can use them. We have recorded a valuation allowance on all of our deferred tax assets, including our deferred tax assets related to our net operating loss and research and development tax credit carryforwards.

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

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

### **Internal Control Over Financial Reporting**

In preparing our consolidated financial statements as of and for the year ended December 31, 2013 and 2014, we and our independent registered public accounting firm identified control deficiencies in the design and operation of our internal control over financial reporting that constituted a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. The material weakness identified resulted from the fact that we did not have sufficient financial reporting and accounting staff with appropriate training in GAAP and SEC rules and regulations. As such, our controls over financial reporting were not designed or operating effectively, and as a result, there were adjustments required in connection with closing our books and records and preparing our December 31, 2013 and 2014 consolidated financial statements.

The material weakness in our internal control over financial reporting was attributable to our lack of sufficient financial reporting and accounting personnel with the technical expertise to appropriately account for complex, non-routine transactions. In response to this material weakness, during 2015 we

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hired additional personnel with the appropriate financial reporting experience to expand our financial management and reporting infrastructure and further develop and document our accounting policies and financial reporting procedures. However, we cannot assure you that we will be successful in pursuing these measures or that these measures will significantly improve or remediate the material weakness described above. We also cannot assure you that we have identified all of our existing material weaknesses or that we will not in the future have additional material weaknesses. We have not yet remediated our material weakness, and the remediation measures that we have begun to implement may be insufficient to address our existing material weakness or to identify or prevent additional material weaknesses.

Neither we nor our independent registered public accounting firm has performed an evaluation of our internal control over financial reporting during any period in accordance with the provisions of the Sarbanes-Oxley Act. In light of the control deficiencies and the resulting material weakness that was identified as a result of the limited procedures performed, we believe that it is possible that had we and our independent registered public accounting firm performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional material weaknesses and significant control deficiencies may have been identified. However, for as long as we remain an “emerging growth company” as defined in the JOBS Act, we intend to take advantage of the exemption permitting us not to comply with the requirement that our independent registered public accounting firm provide an attestation on the effectiveness of our internal control over financial reporting. See “Summary—Implications of Being an Emerging Growth Company.”

### **JOBS Act**

In April 2012, the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, was enacted. Section 107 of the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this extended transition period, and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

### **Quantitative and Qualitative Disclosures about Market Risk**

The market risk inherent in our financial instruments and in our financial position represents the potential loss arising from adverse changes in interest rates. As of September 30, 2015, we had cash equivalents of \$44.7 million, consisting of interest-bearing money market funds, and short-term investments of \$46.0 million, consisting of commercial paper and highly rated corporate bonds. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates. Due to the short-term maturities of our cash equivalents, an immediate 100 basis point change in interest rates would not have a material effect on the fair market value of our cash equivalents.

As of September 30, 2015, we had \$8.3 million of variable rate debt with Solar. Changes in interest rates can cause interest charges on our variable rate debt to fluctuate. An increase of 10%, or approximately 100 basis points, in current interest rates would not have a material effect on our interest expense for the nine months ended September 30, 2015. On October 1, 2015, we prepaid the outstanding balance of the Solar term loan facility.

We do not believe that inflation and changing prices had a significant impact on our results of operations for any periods presented herein.

## BUSINESS

### Overview

We are a clinical stage biopharmaceutical company developing entinostat as a combination therapy in multiple cancer indications with our initial focus on tumors that have shown sensitivity to immunotherapy, including lung cancer, melanoma, ovarian cancer and triple negative breast cancer, or TNBC. Entinostat is our oral, small molecule drug candidate that has direct effects on both cancer cells and immune regulatory cells, potentially enhancing the body's immune response to tumors. The favorable safety profile of entinostat has been demonstrated in clinical trials in more than 900 cancer patients. We are currently evaluating entinostat in combination with *Keytruda*<sup>®</sup> (pembrolizumab) in a Phase 1b/2 clinical trial for non-small cell lung cancer, or NSCLC, and melanoma, and we plan to initiate a Phase 1b/2 clinical trial for entinostat in combination with atezolizumab in TNBC in the first half of 2016 and a Phase 1b/2 clinical trial for entinostat in combination with avelumab in ovarian cancer in the second half of 2016. We believe that, based on its mechanism of action, entinostat may have broad applications in additional tumor types, including head and neck, bladder and renal cell, which are immuno-responsive, or sensitive to immunotherapy.

We are also developing entinostat for use in advanced hormone receptor positive, or HR+, breast cancer. Following positive results from our Phase 2b clinical trial, ENCORE 301, entinostat in combination with *Aromasin*<sup>®</sup> (exemestane tablets) was granted breakthrough therapy designation by the U.S. Food and Drug Administration, or the FDA, in advanced HR+ breast cancer for which it is currently being evaluated in a Phase 3 clinical trial.

Immuno-oncology is an emerging field of cancer medicine that has focused on the development of therapeutic approaches designed to activate the immune system to find and destroy cancer cells. Many tumors have the ability to evade the immune system through direct cellular interactions and recruitment of immuno-suppressive cells to the area surrounding the tumor. One such evasion mechanism is through the expression of proteins known as checkpoint proteins, such as programmed cell death protein ligand 1, or PDL-1, on the cancer cell surface. These checkpoint proteins bind to a corresponding receptor known as programmed cell death protein 1, or PD-1, which is expressed on particular immune cells known as cytotoxic T cells. Through this binding process, cytotoxic T cells are blocked from killing cancer cells. Antibodies known as immune checkpoint inhibitors block the interaction between PD-1 and PDL-1 to restore the ability of cytotoxic T cells to kill cancer cells and have shown significant clinical benefit in treating certain cancers. We believe that entinostat acts on a different tumor-evasion mechanism than is targeted by most other immunotherapies in development. Instead of focusing on the interaction between the T cell and the tumor, entinostat has been observed to decrease the population of immuno-suppressive cells known as myeloid-derived suppressor cells, or MDSCs, and regulatory T cells, or Tregs, which localize in the area surrounding the tumor and block T cells from killing cancer cells.

We believe entinostat, a Class 1-specific histone deacetylase, or HDAC, inhibitor, is the therapy most advanced in development that can directly reduce both the number and activity of MDSCs and Tregs while sparing the cytotoxic T cells. Through blocking the immuno-suppressive effects of MDSCs and Tregs, we believe entinostat has the potential to be used synergistically with therapies such as immune checkpoint inhibitors, resulting in the increased ability of the T cells to attack the tumor. Through this important effect on MDSCs and Tregs, entinostat has the potential to be used synergistically with therapies working to stimulate the immune system. The long half-life of entinostat allows for continuous exposure to therapy potentially resulting in positive immuno-modulatory effects

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without corresponding cytotoxic effects. Another benefit of entinostat's long half-life is the potential to minimize the frequency of dosing and reduce the severity and frequency of adverse events. We believe entinostat's well-characterized safety profile and mechanism of action allows it to be readily combined with, and thereby enhance the activity of, conventional and novel cancer therapies, such as immune checkpoint inhibitors, hormone therapies and chemotherapies.

Entinostat is currently being studied in clinical trials across a broad range of solid tumors, including breast cancer, NSCLC and renal cell carcinoma. We are working in collaboration with Merck & Co. Inc., or Merck, to study the combination of entinostat with Merck's immune checkpoint inhibitor, *Keytruda*, in a Phase 1b/2 clinical trial, ENCORE 601, of up to 178 patients with NSCLC or melanoma. The Phase 1b portion of the clinical trial will evaluate the safety and tolerability of the combination of entinostat and *Keytruda* and the Phase 2 portion of the clinical trial will assess the efficacy of entinostat combined with *Keytruda* in patients with either NSCLC or melanoma. Patient enrollment for the Phase 1b portion of the clinical trial was initiated in August 2015. We have also entered into a collaboration with Genentech, Inc., or Genentech, to evaluate the safety, tolerability and preliminary efficacy of entinostat in combination with Genentech's investigational immune checkpoint inhibitor, atezolizumab, in a Phase 1b/2 clinical trial, ENCORE 602, of patients with TNBC. We have also entered into a collaboration with a subsidiary of Merck KGaA, Darmstadt, Germany, or Merck KGaA, and Pfizer Inc., or Pfizer, to evaluate the safety, tolerability and preliminary efficacy of entinostat in combination with the investigational monoclonal antibody targeting PDL-1, avelumab, in a Phase 1b/2 clinical trial, ENCORE 603, of patients with ovarian cancer. Avelumab is the proposed International Non-proprietary Name for the anti-PD-L1 IgG1 monoclonal antibody (MSB0010718C). Additionally, entinostat is being evaluated in two ongoing and one planned investigator-sponsored clinical trials that are designed to provide further validation of entinostat's immuno-modulatory activity in various other immuno-responsive tumors. We believe that there may be further opportunities through these and additional collaborations to expand the indications in which entinostat may target immunologic mechanisms of resistance to cancer therapies.

We are also providing financial and operational support for an ongoing Phase 3 clinical trial in advanced HR+ breast cancer in combination with *Aromasin*. Eastern Cooperative Oncology Group-American College of Radiology Imaging Network Cancer Research Group, or ECOG-ACRIN, is conducting this clinical trial under sponsorship and funding support from the National Cancer Institute, or NCI. The Phase 3 clinical trial is designed to determine whether the addition of entinostat to *Aromasin* improves progression-free survival, or PFS, overall survival, or both in patients who have previously progressed after treatment with standard-of-care hormonal agents. We believe that the submission of the results of the Phase 3 clinical trial, if successful, would be sufficient for regulatory approval of entinostat in the United States.

We were incorporated under the laws of the State of Delaware in October 2005. Since inception, we have focused our efforts on the research and development and raising capital. Based on our research and development plans and our timing expectations related to the progress of our programs, we believe that the net proceeds from this offering, together with our existing cash, cash equivalents and short-term investments, will fund our projected operating expenses and capital expenditure requirements for at least the next 24 months. Our future capital requirements will depend on many factors, including those discussed in the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors," included elsewhere in this prospectus.

**Clinical Development Programs of Entinostat**

The following table sets forth information pertaining to the clinical trials for entinostat with our initial focus on advancing ENCORE 601, ENCORE 602 and ENCORE 603 in immuno-oncology and E2112, our collaboration with ECOG-ACRIN and the NCI, in advanced HR+ breast cancer.

<i>Immuno-Oncology</i>	Preclinical	Phase 1	Phase 2	Phase 3	Indication	Sponsor	Data Expected
ENCORE 601: Entinostat + <i>Keytruda</i>					NSCLC / melanoma	Syndax <sup>(1)</sup>	Second half of 2016
ENCORE 602: Entinostat + atezolizumab					TNBC	Syndax <sup>(2)</sup>	Second half of 2016
ENCORE 603: Entinostat + avelumab					Ovarian Cancer	Syndax <sup>(2)</sup>	First half of 2017
J1353: Epigenetic Priming to Immunotherapy					NSCLC	Johns Hopkins <sup>(3)</sup>	Second half of 2016
NCI-7870: Entinostat + <i>Proleukin</i>					Renal cell carcinoma	NCI <sup>(4)</sup>	First half of 2016
NCI-9844: Entinostat + <i>Opdivo</i> + <i>Yervoy</i>					Solid tumors	NCI <sup>(5)</sup>	Second half of 2017

<i>Advanced HR+ Breast Cancer</i>	Preclinical	Phase 1	Phase 2	Phase 3	Indication	Sponsor	Data Expected
E2112: Entinostat + <i>Aromasin</i>					Advanced HR+, HER2- breast cancer	NCI <sup>(6)</sup> /Syndax	Second half of 2017 (PFS) 2019 (OS)

<i>Other Indications</i>	Preclinical	Phase 1	Phase 2	Phase 3	Indication	Sponsor	Data Expected
NCI-8871: Entinostat + <i>Tykerb</i> + <i>Herceptin</i>					HER2+ breast cancer	NCI <sup>(7)</sup>	Fourth quarter of 2015
NCI-9253: Epigenetic Priming to Chemotherapy					NSCLC	NCI <sup>(8)</sup>	Second half of 2017

- (1) Conducted pursuant to an Investigational New Drug, or IND, application, which was filed with the FDA by Syndax Pharmaceuticals, Inc. on April 20, 2015.
- (2) This trial is in the planning phase and as such an IND has not yet been filed.
- (3) Conducted pursuant to an IND application, which was filed with the FDA by Johns Hopkins University on April 22, 2013.
- (4) Conducted pursuant to an IND application, which was filed with the FDA by the NCI on November 6, 2000.
- (5) This trial is in the planning phase and as such an IND has not yet been filed.
- (6) Conducted pursuant to an IND application, which was filed with the FDA by the NCI on October 24, 2013.
- (7) Conducted pursuant to an IND application, which was filed with the FDA by the NCI on November 6, 2000.
- (8) Conducted pursuant to an IND application, which was filed with the FDA by the NCI on February 28, 2013.

**Our Strategy**

We are focused on developing entinostat for use in multiple cancer indications in combination with complementary therapeutic drugs. Key elements of our strategy include:

- **Establish entinostat as the combination therapy of choice with immune checkpoint inhibitors, initially PD-1 and PDL-1 inhibitors.** Our near-term focus is to rapidly establish proof of concept that entinostat can provide additional meaningful clinical benefit to patients in one or more tumor types when combined with a PD-1 inhibitor or a PDL-1 inhibitor. Our approach is to conduct clinical trials in patients with tumor types that are known to be responsive to PD-1 or PDL-1 inhibitors, such as NSCLC, melanoma, TNBC, ovarian cancer, head and neck cancer, bladder cancer and renal cell cancer. To that end, we have entered into non-exclusive collaborations with Merck, Genentech, Merck KGaA and Pfizer. In our collaboration with Merck, we intend to evaluate the safety, tolerability and efficacy of combining entinostat with *Keytruda*, an approved anti-PD-1 therapy, in NSCLC and melanoma. In our collaboration with Genentech, we plan to evaluate the safety, tolerability

and efficacy of entinostat in combination with atezolizumab, Genentech's investigational monoclonal antibody targeting PDL-1, in patients with TNBC. In our collaboration with Merck KGaA and Pfizer, we plan to evaluate the safety, tolerability and preliminary efficacy of entinostat in combination with avelumab, an investigational monoclonal antibody targeting PDL-1, in patients with ovarian cancer. We intend to expand the existing collaborations or enter into additional collaborations through non-exclusive, clinical development agreements in order to assess entinostat's impact across multiple tumor types while maintaining our ownership rights.

- **Pursue regulatory approval of entinostat in indications with significant unmet need and commercial potential.** We expect to conduct clinical trials that may lead to accelerated approval and/or conduct pivotal Phase 3 clinical trials, which would serve as the basis of approval from the FDA and the European Commission assuming that one or more of our Phase 1b/2 clinical trials are successful. We may also seek breakthrough therapy designation from the FDA depending on the magnitude of the clinical benefit observed. We plan to take a strategic approach with respect to the order in which we choose to pursue FDA approvals that will depend on the results of the entinostat proof-of-concept clinical trials, the relative speed to FDA approval for any given indication, the unmet need that exists within any given patient population and the competitive landscape of other therapies approved or in development for a given indication.
- **Continue to develop and obtain regulatory approval for entinostat in combination with hormone therapy in advanced HR+ breast cancer.** Based on the positive results from our Phase 2b clinical trial, we received breakthrough therapy designation from the FDA for entinostat in combination with *Aromasin* in advanced HR+ breast cancer. A 600 patient Phase 3 clinical trial testing *Aromasin* in combination with entinostat versus *Aromasin* in combination with a placebo in patients with advanced HR+ breast cancer is currently being conducted by the ECOG-ACRIN under sponsorship and funding support from the NCI. We are providing financial and operational support for this Phase 3 clinical trial under separate agreements with the NCI and ECOG-ACRIN. The protocol for the Phase 3 clinical trial was reviewed and agreed upon by the FDA under a Special Protocol Assessment, or SPA, agreement with the NCI. We believe that the submission of the results of the Phase 3 clinical trial, if successful, would be sufficient for regulatory approval of entinostat in the United States.
- **Leverage the technical and business expertise of our management team and scientific collaborators to license, acquire and develop additional cancer therapies to expand our pipeline.** Our management team, advisors and scientific collaborators are or have been affiliated with some of the world's leading research and development organizations and have a distinguished track record in product licensing, acquisitions and oncology drug development. As such, we intend to continue leveraging the collective talent within our organization and network of advisors to guide our pipeline expansion and development plans and to enable the execution of our business strategy.

#### **Our Entinostat Program**

Cancer is a complex, often fatal, disease arising from uncontrolled cell growth and the ability of cancer cells to avoid the immune system, the body's primary defense mechanism for finding and destroying such cells. We are developing entinostat, which has direct effects on both cancer cells and immune regulatory cells. We have demonstrated that the delivery of entinostat in combination with hormone therapy can result in improvements in overall survival in advanced HR+ breast cancer



patients. Entinostat has also demonstrated synergistic anti-tumor activity in combination with immune checkpoint inhibitors in preclinical studies. Entinostat is an oral, small molecule HDAC inhibitor. HDACs are enzymes that are subdivided into four classes and are known to play a role in controlling cell survival, proliferation, angiogenesis and immunity. While most HDAC inhibitors broadly inhibit multiple classes of HDACs, preclinical studies have shown that entinostat's inhibitory activity is selective to Class 1 HDACs, which have been shown to impact the number and activity of MDSCs and Tregs. We believe that entinostat's Class 1 specificity enhances immune responses against cancer and is likely to lead to a better tolerability and combinability profile.

## ***Immuno-Oncology***

### ***Background***

Immuno-oncology is an emerging field of cancer medicine that has focused on the development of therapeutic approaches designed to activate the immune system to find and destroy cancer cells. The immune system consists of two parts, the innate immune system and the adaptive immune system and both play a role in an effective anti-tumor immune response. The innate immune system, composed of key cells such as natural killer cells and neutrophils, is non-specific and is designed to rapidly identify and eliminate immediate threats to the body, such as infections and other pathogens. The adaptive immune system, composed of B cells, T cells and other immune regulatory cells, targets specific antigens and provides a long-term immune response, known as immunologic memory, to antigens it recognizes as foreign.

Many tumors have the ability to evade both the innate and adaptive immune system through direct cellular interactions and recruitment of immunosuppressive cells to the area surrounding the tumor. Cancer cells can express proteins on their cell surface known as checkpoint proteins, such as PDL-1 and programmed cell death protein ligand 2, or PDL-2, that block the ability of immune cells known as cytotoxic T cells to kill cancer cells. Antibodies that block PDL-1 or PDL-2 restore the ability of cytotoxic T cells to kill cancer cells and have shown significant clinical benefit. Positive results notwithstanding, durable responses following treatment with immune checkpoint inhibitors have only been observed in a relatively small population of treated patients, with overall response rates falling below 30% depending on tumor type, and suggest that additional strategies enhancing the anti-tumor immune response are needed to improve the survival of cancer patients.

Research to identify the basis for the limited efficacy of recently developed immune therapies has provided investigators with an appreciation for the role that specific immune regulatory cells, such as MDSCs and Tregs, have in blocking the cytotoxic T cell response. MDSCs and Tregs localize in the area surrounding the tumor and, together with the immune checkpoints, play a significant role in helping a tumor evade detection and elimination by the immune system.

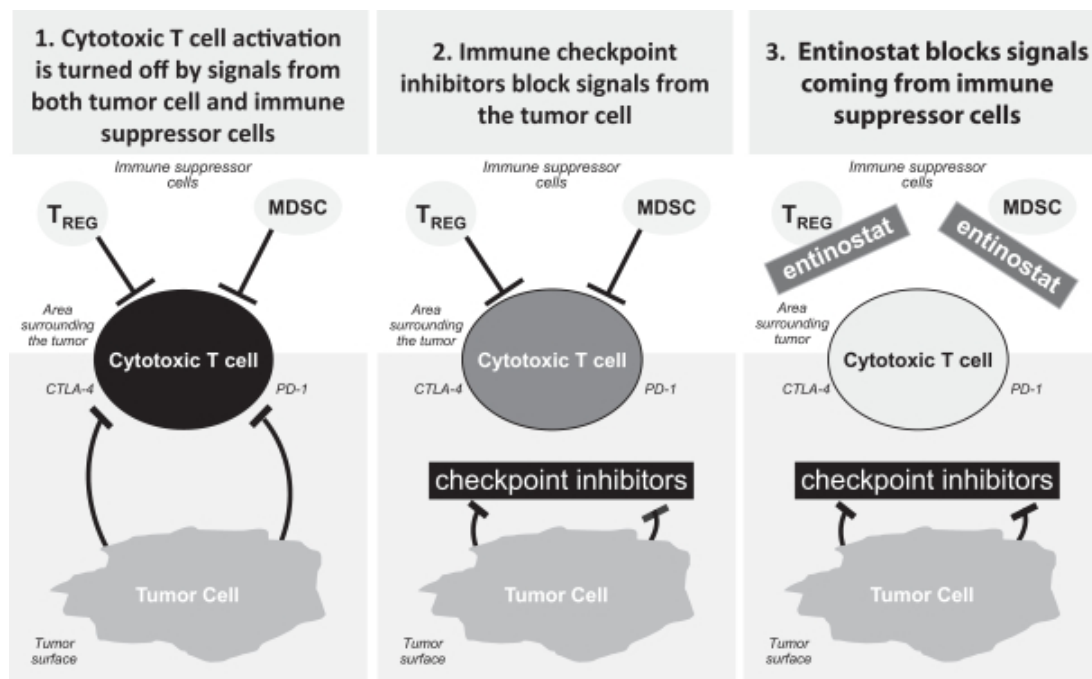
MDSCs are a group of immature myeloid cells that are activated by disease or injury and are generally increased in cancer patients. The primary function of MDSCs is to suppress an activated T cell immune response through the production and secretion of enzymes, which deplete key amino acids required for the growth and function of cytotoxic T cells. High levels of circulating MDSCs in various cancers, including breast, lung and head and neck, and others correspond with a poor prognosis and limited response to cancer therapy. Recent data further indicates that high levels of circulating MDSCs in melanoma patients are inversely correlated with clinical response to immune checkpoint inhibitors suggesting that targeting MDSCs may offer new therapeutic opportunities that enhance the anti-tumor response to immune checkpoint inhibitors.

Tregs are immune suppressor cells that are recruited to sites of active immune response in order to shut down the cytotoxic T cell response. Unlike MDSCs, which are found in activated states in circulating blood, Tregs are recruited to the area surrounding the tumor and activated by local signals from the cancer cell. As with MDSCs, an increase in the level of activated Tregs correlates with poor prognosis in a number of tumor types including breast, colorectal, ovarian and other cancers. Tregs suppress cytotoxic T cell responses through the secretion of cytokines that inhibit the growth of cytotoxic T cells. In addition, Tregs can cause other immune regulatory cells in the area surrounding the tumor to secrete immune suppressive enzymes. Inhibiting Tregs may therefore relieve immune suppression in a way similar and potentially complementary to that of other immune-targeted approaches.

### ***Entinostat as Immunotherapy***

Preclinical and clinical data combined with the safety data observed in treating more than 900 cancer patients to date support our belief that entinostat has the potential to enhance the efficacy of immune checkpoint inhibitors across multiple tumor types. Entinostat is a Class 1-specific HDAC inhibitor targeting those HDACs shown to impact the number and activity of MDSCs and Tregs. We believe that entinostat acts on a different tumor-evasion mechanism than that being targeted by most other immunotherapies in development and is the most advanced agent that can directly reduce both the number and activity of MDSCs and Tregs while sparing the cytotoxic T cells. This impact of entinostat's effect is presented in Figure 1 below, which illustrates how this mechanism can be highly complementary to immune checkpoint inhibitors.

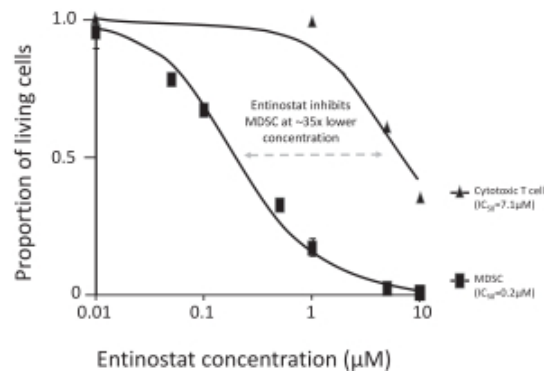
**Figure 1.**



Source: Syndax

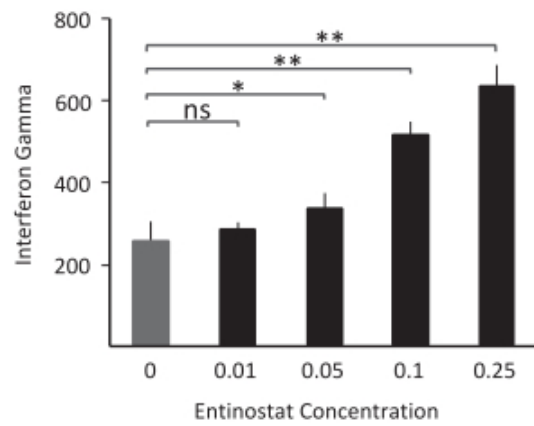
**Data Supporting Entinostat as a Dual Inhibitor of Immune Suppressor Cells.** Separate preclinical studies from investigators at Johns Hopkins University, or JHU, and Roswell Park Cancer Center have demonstrated that entinostat is a dual inhibitor of immune suppressor cells through its targeting of both MDSCs and Tregs. Figure 2 below shows that entinostat reduces the growth of MDSCs at concentrations that spare the growth of cytotoxic T cells. Approximately half of the MDSCs are stopped from growing at 200 nM of entinostat, which is 35 times less than the concentration of entinostat that stops half of the cytotoxic T cells from growing. Figure 3 shows that entinostat can also inhibit MDSC function. In this experiment the investigators mixed MDSCs with cytotoxic T cells and determined the level of T cell activity by measuring secreted amounts of interferon-gamma, a cytokine that is important for the anti-tumor immune response. Adding increasing amounts of entinostat results in higher levels of interferon-gamma secretion indicating that entinostat is enhancing cytotoxic T cell activation by blocking MDSC suppression.

**Figure 2.**



Source: Adapted from Kim et al 2014 Proceedings of the National Academy of Sciences

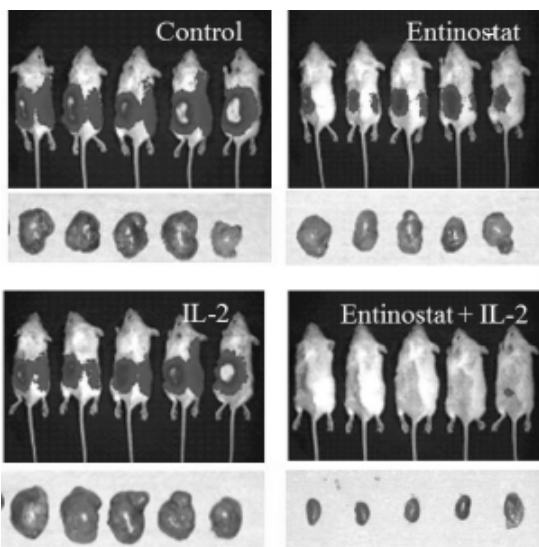
**Figure 3.**



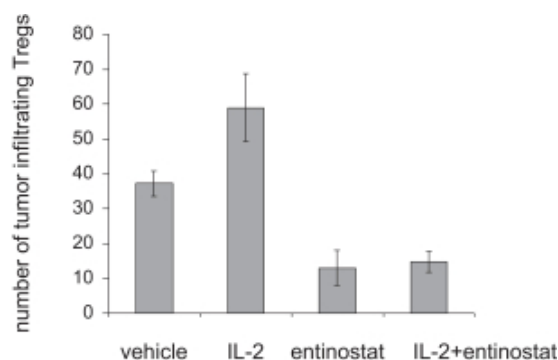
Source: Adapted from Shen et al 2012 Public Library of Science

Entinostat has also been shown to inhibit Treg activity in preclinical experiments. As shown in Figures 4 and 5 below, investigators have used an animal model of renal cell carcinoma called RENCA in order to demonstrate that entinostat could block Treg-mediated immune suppression in order to enhance the activity of *Proleukin*<sup>®</sup> (aldesleukin) an approved immune therapy for renal cell carcinoma. In Figure 4, the shaded areas on the mice indicate tumor growth, and the size of individual tumors at the end of the study can be seen below each mouse. In this experiment, entinostat alone has some anti-tumor activity and when combined with *Proleukin* results in a significant reduction in the growth and size of the tumors. The graph in Figure 5 shows that *Proleukin* alone increases the levels of Tregs as a consequence of its immune activity and that entinostat alone, and in combination with *Proleukin*, blocks the increase in Tregs and reduces the number of immune-suppressive Tregs that are present in the tumor. In addition to reducing the number of immune-suppressive Tregs in this study, entinostat also increases the number of activated cytotoxic T cells.

**Figure 4.**

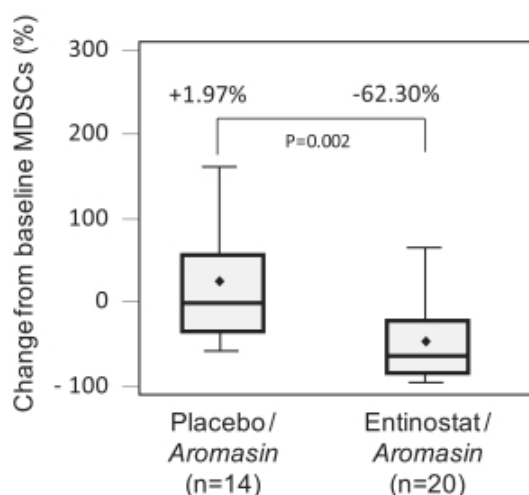


**Figure 5.**



In order to determine whether the effect of entinostat observed in preclinical research studies can also be observed in cancer patients treated with entinostat, we conducted an analysis on immune cells found in blood samples collected from a subset of patients treated in ENCORE 301, our Phase 2b clinical trial in advanced HR+ breast cancer patients. As shown in Figure 6 below, in these peripheral blood samples, we observed a statistically significant reduction in the level of circulating MDSCs in patients treated with the combination of entinostat and *Aromasin*, a hormone therapy, but not in patients treated with the combination of placebo and *Aromasin*. We believe this data collected from a subset of the ENCORE 301 patient population provided the first clinical evidence of entinostat-mediated reduction of immunosuppressive MDSCs in patients and is consistent with the impact on MDSCs observed in the preclinical animal studies.

**Figure 6.**

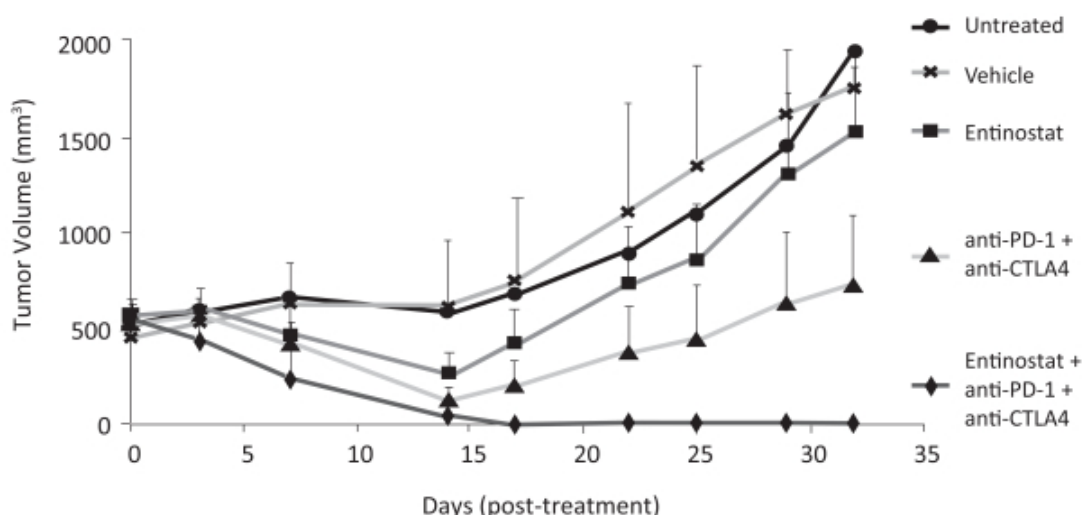


Source: Syndax

**Data Supporting Entinostat in Combination with Immune Checkpoint Inhibitors.**

Preclinical. In order to determine whether entinostat could combine effectively with immune checkpoint inhibitors, investigators from JHU recently tested entinostat in combination with anti-PD-1 and anti-cytotoxic T-lymphocyte-associated protein 4, or CTLA4, directed antibodies in immune-resistant animal models. As shown in Figure 7 below, the elimination of both primary and metastatic tumors was observed in a 4T1 mouse breast cancer model that was treated with entinostat together with dual PD-1/CTLA4 checkpoint inhibition. The researchers observed that entinostat, rather than attacking and destroying replicating cells as standard chemotherapy drugs do, reduced the number and activity of MDSCs.

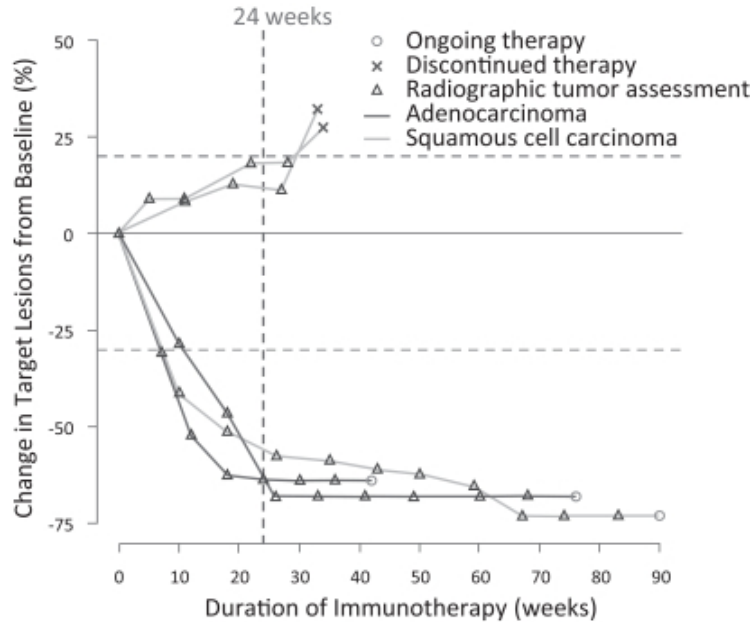
**Figure 7.**



Source: Adapted from Kim et al 2014 Proceedings of the National Academy of Sciences

**Clinical.** Based on the clinical outcome of patients who were treated in two unrelated clinical trials, physicians at JHU observed preliminary evidence for the potential beneficial effects of combining entinostat with a PD-1 or PDL-1 inhibitor. In a heavily pre-treated metastatic NSCLC population, patients given the combination of entinostat and *Vidaza*<sup>®</sup> (azacitidine), an approved chemotherapeutic drug, achieved few objective responses and only a modest 4% overall response rate. However, investigators observed that these same patients who received the combination of entinostat and *Vidaza* and who subsequently received immune checkpoint therapy demonstrated a higher response rate than that expected for this patient population. Figure 8 below illustrates that all five patients who received either *Opdivo*, an approved anti-PD-1, or an investigational PDL-1 inhibitor as their next therapy derived durable clinical benefit. Three of the patients had durable responses and two had durable stable disease. This enhanced response rate was better than an expected 15% response to *Opdivo* alone observed in a similar advanced NSCLC population and led investigators to hypothesize that the prior effect of the combination of entinostat and *Vidaza* therapy was “priming” the tumors to the subsequent immune therapy. To confirm these findings and further explore the ability of the combination of *Vidaza* and entinostat to enhance the response of NSCLC patients to *Opdivo*, the investigators at JHU have initiated a follow-on randomized Phase 2 clinical trial, J1353.

**Figure 8.**



Source: Adapted from Wrangle et al 2013 Oncotarget

**Entinostat with Immune Checkpoint Inhibitors in NSCLC and Melanoma**

**Market Overview and Current Treatment—NSCLC.** Lung cancer is the leading cause of cancer death among men and women, with more people dying of lung cancer each year than of colon, breast, and prostate cancers combined. According to the American Cancer Society, approximately 85% to 90% of lung cancers are NSCLC, and in 2015, an estimated 221,200 new cases of lung cancer will be diagnosed and an estimated 158,040 people will die from lung cancer in the United States. The five-

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year survival rate for patients with NSCLC generally is 18% and for patients with Stage III/IV NSCLC is approximately 6%, indicating a significant need for new therapies that can prolong overall survival.

Metastatic NSCLC is a severe disease with a poor prognosis in the majority of patients with limited treatment options to date. Treatment typically includes a first-line combination chemotherapy followed by a choice of a second-line therapeutic approach. Most patients receiving first-line chemotherapy will relapse within one year of treatment with a median PFS of approximately five to six months and median overall survival of approximately 10 to 12 months. In the second-line setting, the median PFS is approximately three to four months and median overall survival is approximately six to seven months.

The treatment paradigm of NSCLC changed significantly in March 2015 when the FDA approved *Opdivo*, an anti-PD-1 monoclonal antibody as the first immune-targeted drug to treat people with squamous NSCLC in patients who have relapsed after platinum-based chemotherapy. This approval was based on a trial that was stopped early after showing that *Opdivo* improved overall survival by 3.2 months compared to docetaxol, a comparator drug approved for this population. This data represents a significant increase in efficacy from what has traditionally been expected of drugs approved to treat advanced lung cancer, and we believe that immune checkpoint inhibitors will become the standard of care for this patient population. There are other immune checkpoint inhibitors being developed to treat NSCLC, the most advanced of which include Merck's *Keytruda*, Genentech's atezolizumab, AstraZeneca plc's MEDI4736, and Merck KGaA, Darmstadt, Germany/Pfizer Inc.'s avelumab. The clinical development programs for all of these therapies have been designed to understand the broad impact they could have across NSCLC, including non-squamous, chemotherapy-naive and previously treated patients. We anticipate the immune checkpoint inhibitors will be available for use across the spectrum of advanced NSCLC patients.

However, even as the development of these immune checkpoint inhibitors represent a significant advance for NSCLC patients, the proportion of treated patients who respond is still quite low (15 to 20%). This low response rate leaves significant room to improve upon the benefit of immune checkpoint inhibitors through combinations with drugs, like entinostat, that target immune modulation through complementary mechanisms.

**Market Overview and Current Treatment—Melanoma.** The incidence of malignant melanoma in most developed countries has risen faster than any other cancer type since the mid-1950s. In 2011, the average survival duration for patients with Stage IV melanoma, in which the melanoma has metastasized, was only 6 to 10 months and the five-year survival rate for such patients is 16%. Although this rate has not changed in some time, a recent major advance for melanoma came with the development and approval of drugs such as *Zelboraf*<sup>®</sup> (vemurafenib), *Tafinlar*<sup>®</sup> (dabrafenib) and *Mekinist*<sup>®</sup> (trametinib).

Melanoma is a particularly immuno-responsive tumor, and thus, immunotherapy of melanoma has developed as a dynamic field for clinical research. To date, immunotherapies such as *Yervoy*<sup>®</sup> (ipilimumab), *Keytruda* and *Opdivo*, have been approved for the treatment of malignant melanoma patients with unresectable or metastatic disease. But, in this tumor type as well, the immunotherapies represent a significant advance for only a small proportion of patients, leaving significant room to improve upon the benefit of immune checkpoint inhibitors through combinations with drugs, like entinostat, that target immune modulation through complementary mechanisms.

**Our Development of Entinostat in NSCLC and Melanoma.** We have established a clinical collaboration with Merck to study the safety and efficacy of entinostat in combination with *Keytruda* in patients with NSCLC and malignant melanoma. The ENCORE 601 clinical trial is designed as a Phase 1b/2 clinical trial, where the Phase 1b portion will evaluate the safety, tolerability and biomarker correlates of the combination of entinostat and *Keytruda* in patients with NSCLC, and the Phase 2 portion will assess both the safety and efficacy of entinostat combined with *Keytruda* in patients with NSCLC and melanoma. The trial is an open label, dose escalation study with cohort expansions at the recommended Phase 2 dose, or RP2D, in NSCLC and melanoma patients. The trial will be conducted in the United States and will enroll up to 178 patients with approximately 42 of those in the Phase 1b portion and 136 of those in the Phase 2 portion. Patient enrollment for the Phase 1b portion of the clinical trial was initiated in August 2015. We expect data from the Phase 1b portion in the second half of 2016. We anticipate that full enrollment for the Phase 1b and 2 portions will require approximately 30 months with final efficacy data expected in 2018.

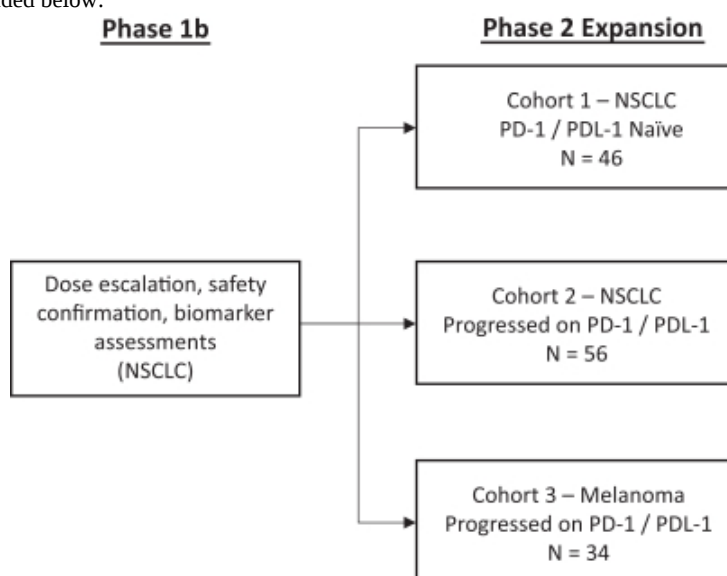
The primary objective of the Phase 1b portion of the trial is to determine the dose-limiting toxicities, or DLT, maximum tolerated dose, or MTD, or the RP2D of entinostat given in combination with *Keytruda*. The initial three patients in Cohort 1 received weekly oral entinostat at a starting dose of 3 mg along with *Keytruda* 200 mg via intravenous infusion. Enrollment in Cohort 1 was increased to six patients after one of the initial three patients developed a serious immune-mediated adverse event. Based on a thorough safety review of all six patients, the 3 mg dosing was deemed tolerable and, in December 2015, dosing was escalated to entinostat weekly oral doses of 5 mg. Cohort 2 is currently enrolling. Assuming an acceptable safety profile, escalation to entinostat every other week oral doses of 10 mg are planned, keeping the *Keytruda* dose constant. The prospective RP2D will be confirmed in 9 to 12 additional patients. The Phase 1b portion of the clinical trial is expected to also characterize the effect of the combination therapy on numerous biomarkers, including expression of PD-1 and PDL-1, the number and function of different types of T cells and the number of MDSCs. These biomarkers will be assessed both in peripheral blood and in serial tumor biopsies.

In the Phase 2 portion of the clinical trial, we will evaluate entinostat in combination with *Keytruda* using the RP2D identified in the Phase 1b portion with the primary objective of evaluating the efficacy of the combination in three expansion cohorts. In each cohort a two-stage design will be used in which a defined minimum number of responders must be seen in the first stage in order for the cohort to advance to full enrollment in the second stage. The decision to terminate or continue enrollment for each cohort will be made independently of the other cohorts. Cohort 1 will enroll up to 46 NSCLC patients with any histology who have not previously been treated with a PD-1/PDL-1 inhibitor. We anticipate all 46 patients will be enrolled by the second half of 2017. Cohort 2 will enroll up to 56 patients with NSCLC of any histology who have previously been treated and progressed on a PD-1 or PDL-1 blocking antibody. We anticipate all 56 patients will be enrolled by the second half of 2017. Cohort 3 will enroll up to 34 patients with melanoma who have previously been treated and progressed on a PD-1 or PDL-1 blocking antibody. We anticipate all 34 patients will be enrolled by the first half of 2017.

Secondary objectives of the trial include assessments of safety, efficacy as measured by clinical benefit rate at six months, PFS at six months, overall PFS, overall survival, duration of response and time to response. Additional exploratory objectives include evaluation of changes in biomarkers in blood and tissue samples collected from patients that may reflect entinostat activity on immune cells.



Details of the trial design are provided below:



***Entinostat with Immune Checkpoint Inhibitors in TNBC***

**Market Overview and Current Treatment.** Breast cancer is the leading cause of cancer death in women worldwide and the second leading cause of cancer death in women in the United States after lung cancer. According to the American Cancer Society, in 2015 approximately 231,000 new cases of invasive breast cancer will be diagnosed in the United States. Although the five-year survival rate for women diagnosed with non-metastatic breast cancer is over 85%, the five-year survival rate for women diagnosed with metastatic breast cancer is only 24%, indicating the need for new therapies that can prolong overall survival.

Breast cancers can be divided into three subsets based on the presence or absence in the tumor of the following protein receptors:

- HR+, which means expressing the estrogen receptor, or ER, or progesterone receptor, or PR, alone or in combination with each other;
- HER2+, which means expressing the human epidermal growth factor receptor 2, or HER2 receptor; and
- Triple negative, which means not expressing ER, PR or HER2.

TNBC represents 15-20% of newly diagnosed breast cancer cases, and is associated with a younger age at diagnosis, advanced stage at diagnosis, increased risk of visceral metastasis and poorer outcome. The five-year survival rate for women diagnosed with Stage IV TNBC is only 22% with limited treatment options. Preliminary data has indicated that treatment with Genentech’s atezolizumab results in approximately a 20% response rate in women with TNBC, and atezolizumab is currently being studied in a Phase 3 clinical trial.

**Our Development Plan of Entinostat in TNBC.** We have established a clinical collaboration with Genentech to study the safety and efficacy of entinostat in combination with atezolizumab, an anti-PDL-1 antibody, in patients with TNBC. The ENCORE 602 clinical trial is designed as a Phase 1b/2 clinical trial, where the Phase 1b portion will initially evaluate the safety of weekly oral entinostat at a dose of 5 mg administered in combination with 1200 mg of atezolizumab given intravenously every three weeks. Assuming this combination is well tolerated, the Phase 2 portion of the clinical trial will be a randomized, double-blind, placebo-controlled trial. The primary endpoint of the Phase 2 clinical trial will be PFS, with response rate, duration of response, time to response and overall survival as secondary end points. Additional exploratory objectives include evaluation of changes in biomarkers in blood and tissue samples collected from patients that may reflect entinostat activity on immune cells. We expect that the enrollment of patients in the ENCORE 602 clinical trial will begin during the first half of 2016 with data expected from the Phase 1b portion in the second half of 2016.

#### ***Entinostat with Immune Checkpoint Inhibitors in Ovarian Cancer***

**Market Overview and Current Treatment – Ovarian Cancer.** A 2014 report by the American Cancer Society indicates that approximately 22,000 women are diagnosed and just over 14,000 die from ovarian cancer in the United States each year. The past few decades have seen some improvement in median five-year survival for women diagnosed with ovarian cancer, but the trend has been modest, increasing from 36% in 1977 to 44% by 2009.

Currently, more than 60% of women are diagnosed with metastatic disease and therapeutic options for these advanced patients are still dominated by traditional chemotherapeutics, such as platinum, taxanes and anthracyclines. In 2014, two targeted agents were approved for later line treatment of refractory patients: *Avastin*<sup>®</sup> (bevacizumab), a vascular endothelial growth factor specific angiogenesis inhibitor, and *Lynparza*<sup>®</sup> (olaparib), a poly ADP-ribose polymerase inhibitor for patients with deleterious breast cancer susceptibility gene mutations. However, the duration of response to either drug was still less than 10 months, highlighting the need to further improve upon patient care. The safety and the efficacy of immune-targeted therapy in ovarian cancer has not yet been demonstrated.

**Our Development Plan of Entinostat in Ovarian Cancer.** We have established a clinical trial collaboration with Merck KGaA and Pfizer to study the safety and efficacy of entinostat in combination with avelumab, an investigational anti-PDL-1 antibody, in patients with ovarian cancer. The ENCORE 603 clinical trial is designed as a Phase 1b/2 clinical trial, where the Phase 1b portion will initially evaluate the safety of weekly, oral entinostat with avelumab. If this combination is well tolerated, the Phase 2 portion of the clinical trial will be designed as a randomized, double-blind, placebo-controlled trial. The primary endpoint of the Phase 2 clinical trial will be PFS, with response rate, duration of response, time to response and overall survival as secondary end points. Additional exploratory objectives include evaluation of changes in biomarkers in blood and tissue samples collected from patients that may reflect the effect of entinostat on immune cells. We anticipate that enrollment of patients in the ENCORE 603 clinical trial will begin during the second half of 2016 with data expected from the Phase 1b portion in the first half of 2017.

#### ***Additional Clinical Trials of Entinostat in Immuno-Oncology***

We plan to evaluate the efficacy of entinostat in combination with other immune checkpoint inhibitors and/or other immunotherapies in at least one to two additional immuno-responsive tumor types. We expect to initiate these additional entinostat combination clinical trials in 2016.

### ***Investigator-Sponsored Clinical Trials of Entinostat in Immuno-Oncology***

We believe that there are additional opportunities for expanding the indications in which entinostat may target immunologic mechanisms of resistance to cancer therapies. In addition to our collaborations with Merck, Genentech, Merck KGaA and Pfizer, we have partnered with independent investigators to support three clinical trials that are designed to validate both clinical and preclinical observations that entinostat can enhance the clinical activity of immune therapy in patients. These clinical trials do not require additional financial support from us and are being conducted through our NCI collaboration with additional support from the *Stand Up To Cancer* funding initiative. Data from these trials are expected to be reported beginning in the second half of 2016. We do not control the timing of these clinical trials and cannot provide any assurance with respect thereto.

**J1353: Epigenetic Priming to Immunotherapy Trial.** This JHU investigator-sponsored Phase 2 clinical trial, funded by *Stand Up To Cancer*, is currently enrolling up to 90 patients with metastatic NSCLC and is designed to test the ability of epigenetic therapy—a combination of entinostat and *Vidaza*—to enhance the response of NSCLC patients to *Opdivo*. We expect proof-of-concept data for this trial will be available from JHU in the second half of 2016.

**NCI-7870: Entinostat + High Dose Interleukin in Metastatic Renal Cell Carcinoma.** This investigator-sponsored Phase 1b/2 clinical trial funded by the NCI was designed to determine the safety and preliminary efficacy of entinostat combined with *Proleukin*, an approved immune therapy for patients with metastatic renal cell carcinoma. Preliminary results from the completed Phase 1 portion indicated that entinostat may safely be given in combination with *Proleukin* and indicated that entinostat potentially enhances the response to *Proleukin* with evidence of causing beneficial changes in certain immune cell functions such as reduction of immune-suppressive Tregs. As of December 2015, the trial has completed enrollment with 47 patients evaluable for safety and 39 evaluable for efficacy. We anticipate that preliminary results for efficacy, safety and biomarkers related to changes in immune cells will be presented at the American Society of Clinical Oncology – Genitourinary meeting in January 2016.

**NCI-9844: Efficacy of Entinostat in Combination with *Opdivo* and *Yervoy* in Patients with Metastatic or Unresectable Solid Tumors.** This investigator-sponsored Phase 1 clinical trial, which is being sponsored by the NCI, is designed to enroll up to 39 patients to study the safety profile and best dose of entinostat and *Opdivo* when given together with *Yervoy* in treating patients with metastatic or unresectable solid tumors or metastatic HER2- breast cancer. The trial is expected to begin enrolling patients in the fourth quarter of 2015 with data expected in the second half of 2017.

### ***Entinostat in Advanced HR+ Breast Cancer***

#### ***Market Overview and Current Treatment***

In 2012, approximately 42,000 patients in the United States with advanced HR+ breast cancer were treated with hormone therapies with the goal to prolong overall survival and to delay treatment with more toxic chemotherapies. Hormone therapies are designed to inhibit estrogen stimulation of advanced HR+ breast cancers. Due to limited efficacy of hormone therapies in the advanced HR+ breast cancer setting, multiple lines of treatment are typically used, with each additional line of hormone therapy resulting in a shorter PFS and lower overall survival. Resistance to hormone therapies develops as a result of activation of growth-factor signaling pathways. The median overall survival for advanced HR+ breast cancer in the first- and second-line setting is approximately three to four years and two years, respectively.

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In 2012, approximately 19,700 patients were treated with a first-line hormone therapy and approximately 22,400 patients with a hormone therapy as second- or third-line treatment. Researchers have demonstrated that the diminished clinical benefit of each hormone therapy is due to primary and acquired resistance to hormone therapy. The cause of resistance is multi-factorial and results in tumor progression independent of estrogen stimulation.

Current treatment of advanced HR+ breast cancer usually includes multiple courses of hormone therapy followed ultimately by chemotherapy. There are three types of commonly used hormone therapies. These are *Soltamox*<sup>®</sup> (tamoxifen), a selective ER modulator, *Faslodex*<sup>®</sup> (fulvestrant), a selective ER downregulator, and aromatase inhibitors, such as *Arimidex*<sup>®</sup> (anastrozole), *Femara*<sup>®</sup> (letrozole) and *Aromasin*, which interfere with estrogen production. *Aromasin*, a steroidal aromatase inhibitor, is typically used as a second- or third-line treatment upon progression from first-line treatment with the non-steroidal aromatase inhibitors *Arimidex* and *Femara*.

Recently the FDA approved *Afinitor*<sup>®</sup> (everolimus), an inhibitor of mammalian target of rapamycin for the treatment of postmenopausal women with advanced HR+ and HER2-, breast cancer in combination with *Aromasin*, after failure of treatment with *Femara* or *Arimidex*. The approval was based on results from a randomized Phase 3 clinical trial of postmenopausal women with advanced estrogen receptor-positive, HER2-, breast cancer with recurrence or progression following prior therapy with *Femara* or anastrozole. The median PFS was 7.8 months for patients receiving *Afinitor* and 3.2 months for patients receiving placebo. Based on these results, *Afinitor* has become a treatment option for patients refractory to aromatase inhibitor therapy. However, the combination of *Aromasin* and *Afinitor* did not confer an improvement in overall survival.

Earlier this year the FDA granted accelerated approval to *Ibrance*<sup>®</sup> (palbociclib), a cyclin-dependent kinase 4 and 6 inhibitor for the treatment of breast cancer in the first-line setting in postmenopausal women with metastatic disease, in combination with *Femara*, an aromatase inhibitor. The approval of *Ibrance* was based on the results of a randomized Phase 2 clinical trial of postmenopausal women with ER+, HER2- breast cancer, which demonstrated a 10 month increase in median PFS for the combination of *Ibrance* and *Femara* versus *Femara* alone. A recently reported Phase 3 clinical trial showed that the combination of *Ibrance* and *Faslodex* improved median PFS by approximately five months compared with *Faslodex* alone in women with HR+, HER2- breast cancer. Overall survival has not been reported for *Ibrance* clinical trials to date. However, based on the significant PFS benefit observed with *Ibrance*, we believe *Ibrance* will likely become the standard first-line therapy in this patient population either in combination with *Femara* or *Faslodex*.

While the treatment of advanced HR+ breast cancer is evolving given the introduction of both *Ibrance* and *Afinitor*, we believe physicians will welcome the introduction of a well-tolerated therapy that improves overall survival, which has not been demonstrated to date for either *Ibrance* or *Afinitor* in combination with hormone therapy. Current data suggest that entinostat could demonstrate a favorable benefit-risk profile and an improvement in overall survival, and thus may become a preferred treatment option for patients with advanced HR+ breast cancer.

### ***Our Development of Entinostat in Advanced HR+ Breast Cancer***

We have completed a Phase 2b clinical trial, ENCORE 301, of entinostat in advanced HR+ breast cancer in 130 postmenopausal patients. The trial was a randomized, placebo-controlled clinical trial in which treatment with entinostat was observed to result in a significant advantage to patients when given in addition to *Aromasin* therapy. Postmenopausal patients with advanced HR+ breast cancer

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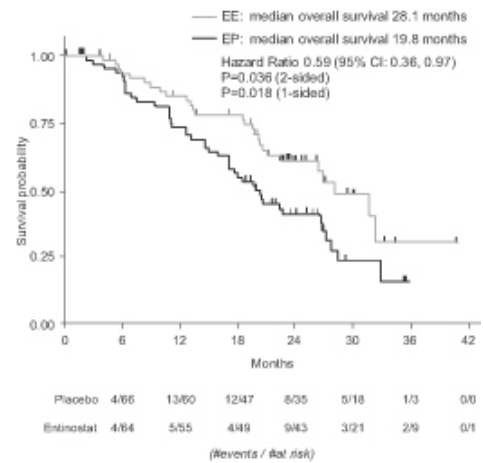
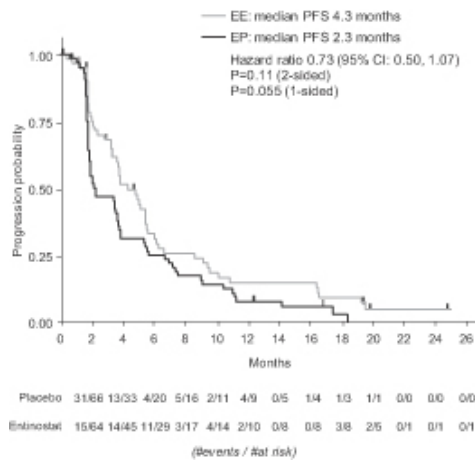
progressing on a non-steroidal aromatase inhibitor were randomly assigned to the combination of *Aromasin* (25 mg daily) and entinostat (5 mg once per week) or to the combination of *Aromasin* (25 mg daily) and a placebo. The primary endpoint was PFS, with overall survival as an exploratory endpoint.

A Kaplan-Meier plot is a graphical statistical method commonly used to describe survival characteristics. The following are explanations of the meanings of the various efficacy endpoints that we have used in describing the results of our Phase 2b clinical trial. Each is determined in accordance with Response Criteria in Solid Tumors measurement guidelines.

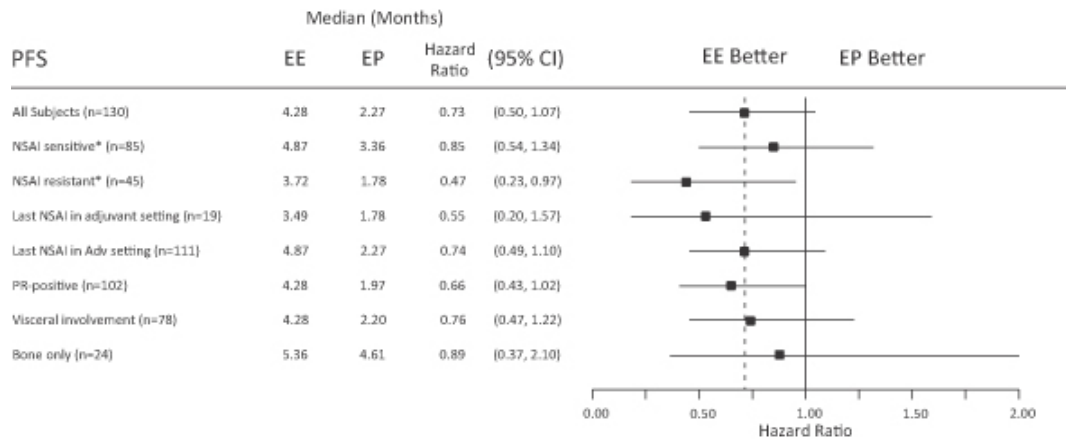
- **P-value:** a statistical measure that represents the probability that the difference that is observed between two treatment arms is due to random chance and is not actually related to the treatments being compared. For example, p-value of 0.1 indicates there is a 10% chance the difference that is observed between the treatment arms is due to random chance.
- **Confidence interval:** a statistical measure that indicates a range, which is believed to include the true effect parameter with some level of confidence. For example, a 95% CI is the range at which one is 95% sure, with a 5% chance of being wrong, that the range given includes the true effect parameter.
- **Hazard ratio:** represents the chance of events occurring in the treatment arm relative to the chance of events occurring in the control arm. A hazard ratio of one means that there is no difference in survival between the two groups. A hazard ratio of greater than one or less than one means that survival was better in one of the groups.

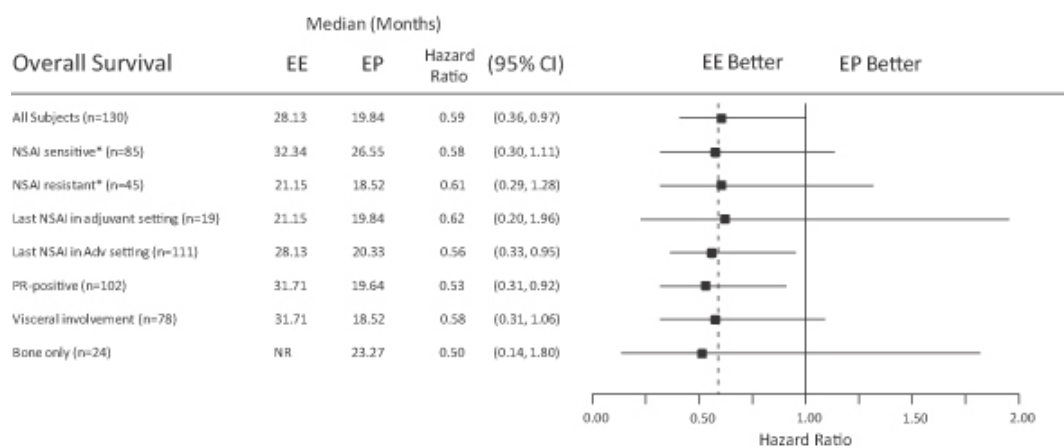
The trial met the statistical criteria for a positive PFS endpoint using a pre-specified p-value of 0.10 from a one-sided test for statistical significance. The overall survival benefit observed in the entinostat/*Aromasin* (exemestane tablets) (EE) group was also statistically significant versus the *Aromasin* (exemestane tablets)/placebo (EP) group. The results are summarized below along with the Kaplan-Meier plot for PFS and overall survival.

- Median PFS approximately doubled to 4.3 months in the EE group versus 2.3 months in the EP group, corresponding to a statistically significant hazard ratio of 0.73; 95% CI, 0.50 to 1.07; P2-sided=0.11; P1-sided=0.055.
- Median overall survival improved to 28.1 months in the EE group versus 19.8 months in the EP group, corresponding to a statistically significant hazard ratio of 0.59; 95% CI, 0.36 to 0.97; P2-sided=0.036; P1-sided=0.018.
- Fatigue and neutropenia were the most frequent Grade 3 and Grade 4 toxicities.



We have utilized forest plots, which are a form of graphical display designed to illustrate the relative strength of treatment effects across multiple subgroups, to highlight the consistency of the clinical benefit of EE treatment across multiple subgroups for both the PFS and overall survival endpoints. In addition, we analyzed the post-study treatments that patients received to determine whether there were imbalances in the subsequent treatment that could account for the difference in overall survival observed between the EE and EP groups. The two groups were well-balanced for the first and all subsequent cancer therapies, which suggest that a favorable result for overall survival is unlikely due to differences in the therapies patients received after discontinuing study treatment.





**Plot Legend**

- **NSAI:** non-steroidal aromatase inhibitor.
- **Visceral involvement:** refers to advanced HR+ breast cancer that has spread to any of the internal organs in the body.
- **NSAI sensitive:** indicates a complete response, partial response or stable disease greater than six months on prior non-steroidal aromatase inhibitor therapy; all other patients considered NSAI resistant.

Safety was assessed by utilizing the NCI’s Common Terminology Criteria for Adverse Events—Version 3. When entinostat was added to *Aromasin*, the adverse event, or AE, profile was consistent with previous clinical experience with entinostat treatment. Overall, the EE group had a higher rate of AEs versus the EP group at 95% and 85%, respectively, with the most common AEs in the EE group being fatigue, gastrointestinal disturbances, such as nausea, vomiting and diarrhea, and hematologic toxicities, such as uncomplicated neutropenia, thrombocytopenia and anemia. The EE group had more AEs leading to dose modification (35% versus 6%), and more AEs leading to study discontinuation (11% versus 2%), irrespective of study drug relationship.

For hematological toxicities, thrombocytopenia was managed by dose modification during entinostat treatment, with all cases being non-severe and none requiring drug discontinuation. In approximately half of the patients who experienced Grade 3 neutropenia, it was managed by dose modification, with only one case leading to entinostat discontinuation. Additional reasons leading to EE discontinuation included two patients owing to nausea and vomiting and one patient each owing to weakness in extremities, hypoxia/radiation pneumonitis, fatigue and mucositis.

The incidence of serious AEs was similar between the EE and EP groups at 16% and 12%, respectively, with four EE patients each experiencing a Grade 4 AE, including fatigue, leucopenia, neutropenia and hypercalcemia. One fatal AE occurred in each treatment arm with the EE event considered related to disease progression. We did not observe significant cardiovascular effects in this trial, which have been reported with other HDAC inhibitors.

Following positive results from our Phase 2b clinical trial, entinostat in combination with *Aromasin* was granted breakthrough therapy designation by the FDA in advanced HR+ breast cancer and is currently being evaluated in a Phase 3 clinical trial for advanced HR+ breast cancer.

**E2112: Ongoing Pivotal Phase 3 Clinical Trial**

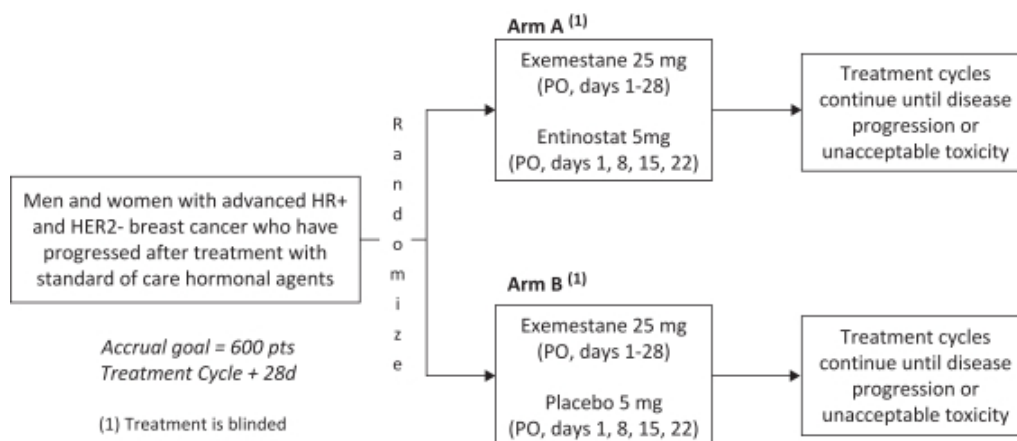
In order to confirm the PFS and overall survival benefits observed in the Phase 2b clinical trial, we have partnered with ECOG-ACRIN to develop and conduct the Phase 3 clinical trial. ECOG-

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ACRIN is conducting the trial under sponsorship and funding support from the NCI. We are providing financial and operational support for the Phase 3 clinical trial under a Cooperative Research and Development Agreement, or CRADA, with the NCI and a separate agreement with ECOG-ACRIN. The trial is a randomized, double-blind, placebo-controlled trial of entinostat in combination with *Aromasin* compared to *Aromasin* and a placebo. The protocol for the Phase 3 clinical trial was reviewed and agreed upon by the FDA under a SPA agreement with the NCI in January 2014. The trial initiated enrollment of 600 patients in the second quarter of 2014. Based on information received from ECOG-ACRIN to date, we expect that the trial will require at least 40 months to fully enroll patients with primary PFS endpoint data expected to be no sooner than the second half of 2017. Since we are not responsible for the conduct of the E2112 clinical trial, we cannot provide assurance that this trial will be completed or that data will be received on the timeline indicated.

The primary objective of the trial is to evaluate whether the addition of entinostat to *Aromasin* improves PFS, overall survival or both PFS and overall survival in patients with advanced HR+, HER2- breast cancer who have previously progressed after treatment with standard of care hormonal agents such as NSAI's or *Faslodex*. The NCI and ECOG-ACRIN, in collaboration with us, have designed the trial to have two primary endpoints of PFS and overall survival. If data are positive, we expect that either endpoint may serve as the basis for submitting an NDA. The Phase 3 clinical trial also contains secondary patient-reported outcomes, or PRO, endpoints to evaluate differences between arms in treatment toxicities, reduced symptom burden as an indicator of treatment response, and overall health-related quality of life. PRO measures are common in ECOG-ACRIN therapeutic trials due to the scientific aims of its Cancer Control & Outcomes Program, which seeks to increase understanding, from the patient perspective, about how novel therapies impact quality of life. Secondary objectives of the trial include assessments of safety, response rate and biomarker analysis.

Details of the trial design are provided below:



The enrollment size of 600 patients in the trial is adequate for achieving a statistically significant difference in median PFS with a p-value less than 0.002 and in median overall survival with a p-value less than 0.048 based on the trial supporting a hypothesized hazard ratio of 0.58 for PFS and 0.75 for overall survival. If the hypothesized hazard ratio for PFS is true, the PFS endpoint has an 88.5% chance of success. Similarly, if the hypothesized hazard ratio of overall survival is true, the overall survival endpoint has an 80% chance of success.



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The primary analysis of PFS will be conducted when 247 PFS events occur out of the initial 360 patients enrolled. At the time of the primary PFS analysis, the first interim analysis of overall survival will also be conducted. Stopping rules based upon the interim analyses of overall survival have been outlined such that enrollment may terminate early if the statistical boundary for overall survival is met. Because of the smaller numbers of patients and limited length of follow-up at the time of the first interim analysis of overall survival, we do not expect to meet the criteria for early stopping at that time.

In the absence of early stopping, the results of the primary analysis of PFS will be made available to us when all 600 patients have entered the trial, which is anticipated to be no sooner than the second half of 2017. If the PFS endpoint is met, interim overall survival results will be released to us at that time as well. If the overall survival data demonstrate a positive trend, we expect they will be used to supplement an NDA submission based on meeting the primary PFS endpoint.

The primary analysis of overall survival data represents another opportunity for submission of an NDA to the FDA for potential approval. The primary analysis of overall survival will occur when 410 deaths from among the 600 patients enrolled have occurred. Based on information received from ECOG-ACRIN to date, we expect this analysis to occur no sooner than 2019.

In addition to these analyses, if the primary analysis of PFS fails to achieve statistical significance, a positive overall survival outcome at any interim analysis during the conduct of the trial will also be a potential approval pathway. ECOG-ACRIN will perform up to seven interim analyses of overall survival approximately every six months to assess the potential superiority of the combination of entinostat and *Aromasin* relative to the combination of *Aromasin* and a placebo. The 410 deaths required for the primary analysis of overall survival takes into consideration any statistical impact of the various interim analyses on the analysis of the overall survival endpoint. If the interim analyses do not demonstrate a statistically significant overall survival benefit, ECOG-ACRIN will not release the results of such interim analyses to us.

### ***Additional Development Activities of Entinostat***

We are currently collaborating with the NCI and investigators on combination trials of entinostat with other therapies across additional multiple tumor types such as HER2+ breast cancer, NSCLC and acute myeloid leukemia. Each of these trials is being funded either by the NCI or as investigator-initiated studies funded through grants and sponsoring institutions. Since we are not responsible for the conduct of these clinical trials, we cannot provide assurance that they will be completed or that data will be received on the timeline indicated.

- **NCI-8871: HER2+ Breast Cancer.** We are collaborating with investigators at MD Anderson Cancer Center to determine whether the addition of entinostat to a second HER2 targeted therapy can overcome the resistance that had developed in response to prior HER2 targeted therapy. A Phase 1 dose escalation trial of entinostat with *Tykerb*<sup>®</sup> (lapatinib), a small molecule dual inhibitor of HER2 and EGFR signaling, has established the feasibility and safety of that combination. A second Phase 1 clinical trial studying entinostat in combination with *Tykerb* and *Herceptin*<sup>®</sup> (trastuzumab), a monoclonal antibody inhibitor of HER2 signaling, has recently completed patient enrollment and has established the feasibility and safety of the triple combination. A total of 37 patients have been enrolled in the Phase 1 trial. Preliminary data from this trial was presented at the 2015 San Antonio Breast Cancer Symposium with the authors concluding that entinostat combined with *Tykerb* and *Herceptin* was generally well tolerated with preliminary evidence of efficacy in metastatic HER2+ patients who progressed on *Herceptin*.

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- **NCI-9253: Epigenetic Priming to Chemotherapy.** This NCI-sponsored Phase 2 clinical trial is currently enrolling up to 165 patients with advanced NSCLC and is designed to test the ability of epigenetic therapy—a combination of entinostat and *Vidaza*—to enhance the response of NSCLC patients to chemotherapy. Data from this trial are expected in the second half of 2017.

### ***Additional Clinical Trials in Support of the NDA***

In parallel with the pivotal Phase 3 clinical trial, we intend to conduct a number of required clinical pharmacology trials required for the submission of an NDA for entinostat. In 2015, we conducted a Phase 1 clinical trial to determine how much entinostat is absorbed by patients, how it is distributed in the body and how it is metabolized and excreted. Results of this clinical trial are pending. We will also conduct a Phase 1 clinical trial to determine whether entinostat interferes with the pharmacological properties of *Aromasin* (drug-drug interaction trial) and a Phase 1 clinical trial to confirm previous findings that there are no cardiac safety signals associated with entinostat treatment.

### **Collaborations**

#### ***Clinical Collaborations in Immuno-Oncology***

##### ***MSD International GmbH***

In March 2015, we entered into a clinical trial collaboration and supply agreement with MSD International GmbH, an affiliate of Merck, under which we will conduct a clinical trial evaluating entinostat in combination with Merck's drug *Keytruda* in patients with NSCLC and melanoma. We are the sponsor of the clinical trial. Merck will supply *Keytruda* for use in the clinical trial. Neither party will have any obligation to reimburse any costs incurred by the other party, except that a party may be required to reimburse the manufacturing costs of the other party upon certain early termination events.

To the extent any inventions arise from the clinical trial, each party will solely own inventions relating to its drug alone, and the parties will jointly own any inventions relating to the combination of the two drugs. In most cases, clinical data from the trial will be jointly owned. However, each party will separately analyze clinical samples obtained from trial participants, and each party will solely own the sample analysis data that it generates.

Either party may terminate the agreement for the other party's uncured material breach. In addition, either party may terminate the agreement if it believes that there is imminent danger to patients in the clinical trial, or if a regulatory authority takes an action that prevent such party from supplying its drug, or if such party decides to discontinue development of its drug. Merck may terminate the agreement if we fail to make any changes to the clinical trial protocol that are reasonably requested by Merck to address a perceived safety issue or if we undergo a change of control with a company that is clinically developing or marketing a drug having the same mechanism of action as *Keytruda*.

##### ***Genentech, Inc.***

In August 2015, we entered into a combination study collaboration agreement with Genentech under which we will conduct a clinical trial evaluating entinostat in combination with Genentech's drug atezolizumab in patients with TNBC. We will be the sponsor of the clinical trial. Genentech will supply atezolizumab for use in the clinical trial. Each party will perform its obligations under the agreement at its own expense, including its internal costs.

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To the extent any inventions arise from the clinical trial, each party will solely own inventions relating to its drug alone, and the parties will jointly own any inventions relating to the combination of the two drugs. In most cases, data from the trial will be jointly owned. However, each party will solely own certain sample analysis data generated from clinical samples obtained from trial participants.

Either party may terminate the agreement for the other party's uncured material breach. In addition, either party may terminate the agreement if it determines that the trial may unreasonably affect patient safety, or if a regulatory authority withdraws the approval to conduct the trial or takes an action that prevent such party from supplying its drug, or if the other party or its employees are sanctioned under certain healthcare-related laws, or if such party decides to discontinue development of its drug.

### ***Merck KGaA and Pfizer***

In December 2015, we entered into a clinical trial collaboration and supply agreement with Merck KGaA and Pfizer under which we will conduct a clinical trial evaluating entinostat in combination with an investigational monoclonal antibody, avelumab, in patients with ovarian cancer. Avelumab is being developed collaboratively by Merck KGaA and Pfizer, which are together treated as a single party for purposes of this agreement. We will be the sponsor of the clinical trial. Merck KGaA and Pfizer will supply avelumab for use in the clinical trial. We will share the study costs with Merck KGaA and Pfizer. During the term of the trial or the term of the agreement, whichever is shorter, each party has agreed not to initiate any clinical trial in combination with such party's drug and a third party drug for the treatment of ovarian cancer if the third party drug has the same target and mechanism of action as the other party's drug, subject to certain exceptions.

To the extent any inventions arise from the clinical trial, each party will solely own inventions relating to its drug alone, and the parties will jointly own any inventions relating to the combination of the two drugs. In most cases, data from the trial will be jointly owned. However, each party will solely own certain sample analysis data generated from clinical samples obtained from trial participants.

Either party may terminate the agreement for the other party's uncured material breach. In addition, either party may terminate the agreement if it determines that the trial may unreasonably affect patient safety, or if a regulatory authority takes an action that prevent such party from supplying its drug, or if such party decides to discontinue development of its drug. Merck KGaA and Pfizer may also terminate the agreement if we fail to make any changes to the clinical trial protocol that are reasonably requested by them to address a perceived safety issue.

### ***NCI and Investigator Collaborations***

We have collaborated with a limited number of third parties on the clinical development of entinostat. For example, we have supplied entinostat for use in investigator-sponsored clinical trials conducted at JHU and we may enter into similar arrangements with other hospitals and medical centers in the future. Investigator-sponsored clinical trials are generally performed under an IND application filed by the investigator or his or her institution. The investigator or institution generally also fully funds these clinical trials. To date, our sole obligation with respect to these investigator-sponsored clinical trials has been to supply entinostat for use in the trials. Additionally, we have an ongoing collaboration with the NCI for the clinical development of entinostat. As part of this collaboration, the NCI sponsors and funds clinical studies on entinostat that are conducted by other groups or institutions,

such as JHU and ECOG-ACRIN. Under a separate agreement with ECOG-ACRIN, we have agreed to make additional payments directly to ECOG-ACRIN to support its performance of an NCI-sponsored pivotal Phase 3 clinical trial of entinostat.

***Collaborative Research and Development Agreement with the NCI***

Our collaboration with the NCI is governed by a CRADA between us and the NCI. The CRADA was originally signed by Mitsui Pharmaceuticals, Inc., or Mitsui, and was then assigned to Schering AG following Schering AG's acquisition of Mitsui. In 2007, Schering AG (then known as Bayer Schering Pharma AG) agreed to assign the CRADA to us in connection with the execution of a license, development and commercialization agreement, or the Bayer license agreement, with Bayer.

Under the CRADA, as amended, the NCI sponsors clinical studies on entinostat using researchers at the NCI as well as NCI-funded researchers at other institutions, including ECOG-ACRIN and JHU. In return, we receive access to the data generated in these clinical studies, and we are obligated to supply the clinical trial sites with sufficient quantities of entinostat. Additionally, we are required to make an annual payment to a particular NCI laboratory to help support certain research studies related to this and other clinical trial. We have no other payment obligations under the CRADA.

We own any intellectual property generated in the course of the collaboration with the NCI, or Collaboration IP, to the extent that Collaboration IP is generated by our employees. We also have an exclusive option to obtain an exclusive or non-exclusive commercialization license under Collaboration IP generated by the NCI. With respect to any Collaboration IP that is owned by or licensed to us, we have agreed to grant the United States government a non-exclusive license to practice or have practiced this Collaboration IP throughout the world by or on behalf of the government for research or other government purposes.

Either party may terminate the CRADA either by mutual consent or unilaterally upon advance written notice to the other party. Absent such early termination, the CRADA will expire on May 21, 2017. As we have in the past, we expect to renew the CRADA at that time.

***Clinical Trial Agreement with Eastern Cooperative Oncology Group***

In March 2014, we entered into a clinical trial agreement with Eastern Cooperative Oncology Group, a contracting entity for ECOG-ACRIN, which describes the parties' obligations with respect to the NCI-sponsored pivotal Phase 3 clinical trial of entinostat. Under the terms of the clinical trial agreement, ECOG-ACRIN will perform this clinical trial in accordance with the clinical trial protocol and a mutually agreed scope of work. In February 2015, we amended the agreement to provide for additional patient site reimbursement funds, which will be paid based on milestone-based payments. We will provide a fixed level of financial support for the clinical trial through an upfront payment of \$695,000 and a series of time- and milestone-based payments of up to \$970,000, and we are obligated to supply entinostat and placebo to ECOG-ACRIN for use in the clinical trial. Our aggregate payment obligations under this agreement are approximately \$20.6 million. We have agreed to provide this additional financial support to fund the additional activities required to ensure that the E2112 clinical trial will satisfy FDA registration requirements.

Data and inventions from the Phase 3 clinical trial are owned by ECOG-ACRIN. We have access to the data generated in the clinical trial, both directly from ECOG-ACRIN under the clinical trial agreement, as well as from the NCI through our agreement with it. Additionally, ECOG-ACRIN has granted us a non-exclusive license to any inventions or discoveries that are derived from entinostat as a result of its use during the clinical trial, along with a first right to negotiate an exclusive license to any of these inventions or discoveries.

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Either party may terminate the clinical trial agreement in the event of an uncured material breach by the other party or if the FDA or NCI withdraws the authorization to perform the clinical trial in the United States. The parties may jointly terminate the clinical trial agreement if the parties agree that safety-related issues support termination.

### **License Agreements**

#### ***Kyowa Hakko Kirin***

In December 2014, we entered into a license, development and commercialization agreement with Kyowa Hakko Kirin Co., Ltd., or KHK, under which KHK received an exclusive license under our intellectual property rights to develop and commercialize entinostat in Japan and Korea. This license includes a sublicense under the rights we received under the Bayer license agreement. If we acquire or develop any other anti-cancer drug that, like entinostat, is a selective inhibitor of Class 1 HDAC, such drug will be included in this license as well. We will manufacture and supply entinostat to KHK during the term of the agreement, and such obligation may continue for a longer period if KHK continues to sell entinostat following expiration of the agreement or termination of the agreement for our breach. During the term of the agreement, subject to certain exceptions, each party is prohibited from commercializing in the Japan and Korea any other selective inhibitor of Class 1 HDACs for the same indication as entinostat, with all forms of cancer being treated as the same indication.

We received an upfront license fee of \$17.5 million, and KHK purchased 670,062 shares of our Series B-1 Preferred Stock for an aggregate price of approximately \$7.5 million. We are eligible to receive up to \$50 million in development and regulatory milestone payments and up to \$25 million in sales milestone payments. KHK will pay us a transfer price for the supply of entinostat as well as royalties on net sales of entinostat above a specified threshold each calendar year by KHK, its affiliates and sublicensees in the low single digits. Royalty payment obligations will be payable in each country in the KHK territory until the later to occur of (i) the date that all valid claims of the last effective license patent in such country expires or is abandoned, withheld or otherwise invalidated and (ii) 15 years from the date of first commercial sale of entinostat in such country. Any payments owed to Bayer as a result of KHK's development and commercialization of entinostat in the KHK territory will be made by us out of the payments we receive from KHK.

The agreement with KHK will expire with respect to each country in the KHK territory upon the expiration of all royalty payment obligations in such country. In addition, we may terminate the agreement in its entirety upon written notice to KHK if KHK or any affiliate commences any action or proceeding that challenges the validity, enforceability or scope of any licensed patent in the KHK territory. KHK may terminate the agreement in its entirety for convenience at any time upon advance notice to us. Either party may terminate the agreement for the other party's uncured material breach, or bankruptcy or related actions or proceedings. If we commit an uncured material breach of certain provisions of the agreement, KHK may, instead of terminating the agreement, elect to continue the agreement in full force and effect except certain payments to us will be reduced.

### **Sales and Marketing**

We intend to build a commercial infrastructure to support sales of entinostat in the United States. Our targeted sales force will focus on a well-defined group of medical oncologists, primarily in the non-hospital and academic settings, who are responsible for the care and treatment of cancer patients. We expect to manage sales, marketing and distribution through internal resources and third-party relationships. While we may commit significant financial and management resources to commercial

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activities, we would also consider collaborating with one or more pharmaceutical companies to enhance our commercial capabilities. Outside the United States, we plan to rely on our current partners and may seek additional pharmaceutical partners for sales and marketing activities.

### **Manufacturing**

We do not own or operate manufacturing facilities for the production of entinostat, and we do not have plans to develop our own manufacturing operations in the foreseeable future. We currently rely on third-party contract manufacturers for all of our required raw materials, active pharmaceutical ingredients and finished product for our preclinical research and clinical trials. We do not have long-term agreements with any of these third parties. We also do not have any current contractual relationship for the manufacture of commercial supplies. If entinostat is approved by any regulatory agency, we intend to enter into agreements with a third-party contract manufacturer and one or more backup manufacturers for the commercial production of entinostat. Development and commercial quantities of any products that we develop will need to be manufactured in facilities, and by processes, that comply with the requirements of the FDA and the regulatory agencies of other jurisdictions in which we are seeking approval.

### **Competition**

The pharmacologic treatment of NSCLC, melanoma, ovarian cancer and TNBC patients includes chemotherapies and therapies targeting specific gene mutations. More recently, immune checkpoint inhibitors have been approved for NSCLC and melanoma and are under investigation for ovarian cancer and TNBC. There are currently no approved combination immunotherapies although numerous drugs are undergoing active clinical investigation. We believe that if entinostat in combination with *Keytruda*, atezolizumab or avelumab were approved for the treatment of NSCLC, melanoma, TNBC or ovarian cancer, it would face competition from these standard-of-care approaches and other investigational drugs being tested in combination with any of these approaches.

If entinostat in combination with *Aromasin* were approved for treatment of advanced HR+ breast cancer, it could face competition from other therapies recently approved for use in combination with hormone therapy in this population, including *Ibrance* developed by Pfizer, *Afinitor* developed by Novartis, and other therapies currently in Phase 3 clinical development such as abemaciclib being developed by Eli Lilly and Company, and ribociclib and buparlisib both of which are being developed by Novartis.

Many of our existing or potential competitors have substantially greater financial, technical and human resources than we do and significantly greater experience in the discovery and development of product candidates, obtaining FDA and other regulatory approvals of products and the commercialization of those products. Our competitors may be more successful than we may be in obtaining FDA approval for drugs and achieving widespread market acceptance. Our competitors' drugs may be more effective, or more effectively marketed and sold, than any drug we may commercialize and may render our product candidates obsolete or non-competitive before we can recover the expenses of developing and commercializing any of our product candidates. Our competitors may also obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours. We anticipate that we will face intense and increasing competition as new drugs enter the market and advanced technologies become available.

We expect any treatments that we develop and commercialize to compete on the basis of, among other things, efficacy, safety, convenience of administration and delivery, price and the availability of reimbursement from government and other third-party payors.

## Intellectual Property

### *Patents and Property Rights*

Through licensed intellectual property and our owned intellectual property, we seek patent protection in the United States and internationally for entinostat, its methods of use and processes for its manufacture, as well as for other technologies, where appropriate. Our policy is to actively seek to protect our proprietary position by, among other things, filing patent applications in the United States and abroad claiming our proprietary technologies that are important to the development of our business. We also rely on trade secrets, know-how, continuing technological innovation and in-licensing opportunities to develop and maintain our proprietary position.

We cannot be sure that patents will be granted with respect to any of our owned or licensed pending patent applications or with respect to any patent applications filed by us or our licensors in the future, nor can we be sure that any of our existing owned or licensed patents or any patents that may be granted to us or to our licensors in the future will protect our technology. Our success will depend significantly on our ability to obtain and maintain patent and other proprietary protection for the technologies that we consider important to our business, defend our patents, preserve the confidentiality of our trade secrets, operate our business without infringing the patents and proprietary rights of third parties, and prevent third parties from infringing our proprietary rights.

### *Entinostat Patent Portfolio*

We also strive to protect entinostat with multiple layers of patents. As of January 4, 2016, our portfolio included six owned U.S. provisional patent applications, three owned pending U.S. non-provisional patent applications one granted non-U.S. patent and 13 non-U.S. pending patent applications. Also, we have filed national phase applications in the Eurasia Regional Patent Office, Ukraine and Georgia based on our owned PCT application directed to treatment of selected breast cancer patients with a combination of entinostat and *Aromasin*. We have assigned our rights to the application we filed in the Eurasia Regional Patent Office to Domain Russia Investments Limited, or DRI. We have also assigned our rights to the applications we filed in Ukraine and Georgia to NovaMedica LLC, or NovaMedica. We have also filed national phase applications based on our owned PCT application directed to treatment of selected breast cancer patients with the combination of entinostat and *Aromasin* in the USPTO, the European Patent Office, or EPO, China, India, Australia, Canada, Japan, South Korea, South Africa, Brazil and Mexico. Our owned entinostat patent portfolio includes pending U.S. patent applications directed to methods of treating cancer patients by administration of entinostat according to selected dosing regimens, methods of treating cancer patients by administration of entinostat in combination with an HER2 inhibitor and methods of treating lung cancer patients by administration of entinostat in combination with an EGFR inhibitor. Our owned pending U.S. provisional applications relate to treatments with entinostat combined with anti PD-1 or anti PDL-1 antibodies. If issued, patents based on our owned pending U.S. applications and non-U.S. filings based on our owned PCT application would expire between November 2028 and June 2036.

The patent portfolio we licensed from Bayer contains a number of issued U.S. and foreign patents as well as patent applications pending outside the United States. A number of the patents and patent applications we licensed from Bayer are directed to entinostat while other patents and patent applications are directed to compounds other than entinostat. As of August 24, 2015, the portfolio we licensed from Bayer included seven issued U.S. patents, 59 granted non-U.S. patents and 21 patent

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applications pending in non-U.S. patent offices. For example, the portfolio we licensed from Bayer includes reissue U.S. Patent RE39,754, which covers a genus of benzamide compounds including entinostat or SNDX-275. RE39,754 is a composition of matter patent having an initial term expiring in 2017.

The portfolio we licensed from Bayer also includes U.S. Patent 7,973,166, or the '166 patent, which covers a crystalline polymorph of entinostat which is referred to as crystalline polymorph B, the crystalline polymorph used in the clinical development of entinostat. Many compounds can exist in different crystalline forms. A compound which in the solid state may exhibit multiple different crystalline forms is called polymorphic, and each crystalline form of the same chemical compound is termed a polymorph. A new crystalline form of a compound may arise, for example, due to a change in the chemical process or the introduction of an impurity. Such new crystalline forms may be patented. By comparison, the U.S. Patent RE39,754, which expires in 2017, covers the chemical entity of entinostat and any crystalline or non-crystalline form of entinostat. On March 7, 2014, our licensor Bayer applied for reissue of the '166 patent. The reissue application sought to add three additional inventors to the '166 patent. The reissue was granted as RE45,499 on April 28, 2015, at which time the original '166 patent was surrendered. The reissue patent has the same force and effect as the original '166 patent and the same 2029 expiration date.

Of the 59 foreign granted patents we licensed from Bayer, 26 are foreign counterparts of the '166 patent (now RE45,499) that cover crystalline polymorph B, the granted European patent comprises 37 national countries that all been validated, and the granted Eurasian patent comprises nine countries that have all been validated. Likewise, 16 of the 21 pending foreign applications are counterparts of the '166 crystalline polymorph B patent. Other patents and patent applications in the licensed Bayer portfolio cover methods of treatment by administration of entinostat. For example, U.S. Patent 7,317,028, which expires in 2017, covers methods of treating selected cancers by administration of entinostat; U.S. Patent 7,687,525, which also expires in 2017, covers methods of treating autoimmune disease by administration of entinostat; U.S. Patent 6,320,078, which expires in 2019, covers methods of manufacturing entinostat; U.S. Patent No. 8,026,239, which expires in 2017, covers methods of treating certain malignant tumors by administration of a compound within a subgenus of benzamide compounds including entinostat; U.S. Patent RE40,703, which expires in 2017, covers a subgenus of benzamide compounds that does not include entinostat; and U.S. Patent 6,794,392, which expires in 2017, covers a subgenus of benzamide compounds that does not include entinostat.

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the date of filing the non-provisional application or PCT application.

In the United States, a patent's term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the U.S. Patent and Trademark Office, or USPTO, in granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier-filed patent. The term of a patent that covers an approved drug may also be eligible for patent term extension, which permits patent term restoration as compensation for the patent term lost during the development and regulatory review process. To obtain a patent extension in the United States, the term of the relevant patent must not have expired before the extension application, the patent cannot have been extended previously under this law, an application for extension must be submitted, the product must be subject to regulatory review prior to its commercialization, and the permission for the commercial marketing or use of the product after such regulatory review period is the first permitted



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commercial marketing or use of the product. If our future products contain active ingredients which have not been previously approved, we may be eligible for a patent term extension in the United States. In the United States, we expect to seek extension of patent terms under the Drug Price Competition and Patent Term Restoration Act of 1984, which permits a patent term extension of up to five years beyond the expiration of the patent for patent claims covering a new chemical entity. If patent extensions are available to us outside of the United States, we would expect to file for a patent term extension in applicable jurisdictions.

### **In-Licensed Intellectual Property**

#### ***License, Development and Commercialization Agreement with Bayer***

In March 2007, we entered into the Bayer license agreement pursuant to which we obtained a worldwide, exclusive license to develop and commercialize entinostat and any other products containing the same active ingredient. The Bayer license agreement, as amended, permits us to use entinostat or other licensed products for the treatment of any human disease, and we are obligated to use commercially reasonable efforts to develop, manufacture and commercialize licensed products for all commercially reasonable indications. Initially, Bayer manufactured and supplied our requirements of entinostat, but effective May 2012, manufacturing rights and responsibility for entinostat was transferred to us, by mutual agreement of the parties.

In connection with the execution of the Bayer license agreement, we were obligated to pay Bayer an upfront license fee of \$2 million. We are also obligated to pay up to approximately \$50 million in the aggregate upon obtaining certain milestones in the development and marketing approval of entinostat, assuming that we pursue at least two different indications for entinostat or any other licensed product. In June 2014, we achieved a research and development milestone, and in accordance with the terms of the Bayer license agreement, we paid \$2 million to Bayer.

We are also obligated to pay Bayer \$100 million in aggregate sales milestones, and a tiered single-digit royalty on net sales by us, our affiliates and sublicensees of entinostat and any other licensed products under the Bayer license agreement. We are obligated to pay Bayer these royalties on a country-by-country basis for the life of the relevant licensed patents covering such product or 15 years after the first commercial sale of such product in such country, whichever is longer. We cannot determine the date on which our royalty payment obligations to Bayer would expire because no commercial sales of entinostat have occurred and the last-to-expire relevant patent covering entinostat in a given country may change in the future.

The Bayer license agreement will remain in effect until the expiration of our royalty obligations under the agreement in all countries. Upon expiration of the agreement our licenses become fully paid-up and irrevocable. Either party may terminate the Bayer license agreement in its entirety or with respect to certain countries in the event of an uncured material breach by the other party. Either party may terminate the Bayer license agreement if voluntary or involuntary bankruptcy proceedings are instituted against the other party, if the other party makes an assignment for the benefit of creditors, or upon the occurrence of other specific events relating to the insolvency or dissolution of the other party. Bayer may terminate the Bayer license agreement if we seek to revoke or challenge the validity of any patent licensed to us by Bayer under the Bayer license agreement or if we procure or assist a third party to take any such action.

### ***Confidential Information and Inventions Assignment Agreements***

We require our employees and consultants to execute confidentiality agreements upon the commencement of employment, consulting or collaborative relationships with us. These agreements provide that all confidential information developed or made known during the course of the relationship with us be kept confidential and not disclosed to third parties except in specific circumstances.

In the case of employees, the agreements provide that all inventions resulting from work performed for us, utilizing our property or relating to our business and conceived or completed by the individual during employment shall be our exclusive property to the extent permitted by applicable law. Our consulting and service agreements also provide for assignment to us of any intellectual property resulting from services performed for us.

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

#### ***United States Government Regulation***

In the United States, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act, or FDCA, and related regulations. Drugs are also subject to other federal, state and local statutes and regulations. The FDA and comparable regulatory agencies in state and local jurisdictions impose substantial requirements upon, among other things, the testing, development, manufacture, quality control, safety, purity, potency, labeling, storage, distribution, record keeping and reporting, approval, import and export, advertising and promotion, and postmarket surveillance of drugs.

The FDA's policies may change and additional government regulations may be enacted that could prevent or delay regulatory approval of any product candidates, product or manufacturing changes, additional disease indications, or label changes. We cannot predict the likelihood, nature or extent of government regulation that might arise from future legislative or administrative action.

Failure to comply with the applicable United States regulatory requirements at any time during the product development process, approval process or after approval may subject an applicant to administrative or judicial enforcement actions. These actions could include the suspension or termination of clinical trials by the FDA, the FDA's refusal to approve pending applications or supplemental applications, withdrawal of an approval, warning or untitled letters, product recalls, product seizures, total or partial suspension of production or distribution, import detention, injunctions, fines, civil penalties or criminal prosecution. Any such administrative or judicial action could have a material adverse effect on us.

Although this discussion focuses on regulation in the United States, we anticipate seeking approval for and marketing of our product candidates in other countries. Generally, our product candidates will be subject to regulation in other countries that is similar in nature and scope as those imposed in the United States, although there can be important differences. In Europe, for example, some significant aspects of regulation are addressed in a centralized way through the European Medicines Agency, but country-specific regulation remains essential in many respects.

### ***Drug Development Process***

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

- completion of extensive preclinical laboratory tests and animal studies in accordance with applicable regulations, including the FDA's good laboratory practice, or GLP regulations;
- submission of an IND application which must become effective before clinical trials may begin;
- performance of adequate and well-controlled human clinical trials in accordance with applicable regulations, including the FDA's current good clinical practice, or GCP, regulations to establish the safety and efficacy of the proposed drug for its intended use or uses;
- submission to the FDA of an NDA for a new drug product;
- a determination by the FDA within 60 days of its receipt of an NDA to accept the NDA for filing and review;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities where the drug is produced to assess compliance with the FDA's cGMP regulations to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity;
- potential FDA audit of the preclinical and/or clinical trial sites that generated the data in support of the NDA; and
- FDA review and approval of the NDA prior to any commercial marketing or sale of the drug in the United States.

### ***Preclinical Testing***

Before testing any compounds with potential therapeutic value in humans, the drug candidate enters the preclinical testing stage. Preclinical tests include laboratory evaluations of product chemistry and formulation, as well as animal studies to assess the potential safety, toxicity profile and activity of the drug candidate. The conduct of the preclinical tests must comply with federal regulations and requirements including GLPs.

### ***IND Application***

Prior to commencing the first clinical trial in humans, an IND must be submitted to the FDA, and the IND must become effective. A sponsor must submit preclinical testing results to the FDA as part of the IND and the FDA must evaluate whether there is an adequate basis for testing the drug in humans. The IND automatically becomes effective 30 days after receipt by the FDA unless the FDA within the 30-day time period raises concerns or questions about the submitted data or the conduct of the proposed clinical trial and places the IND on clinical hold. In such case, the IND application sponsor must resolve any outstanding concerns with the FDA before the clinical trial may begin. A separate submission to the existing IND application must be made for each successive clinical trial to be conducted during product development. Further, an independent Institutional Review Board, or IRB, for each site proposing to conduct the clinical trial must review and approve the protocol and informed

consent for any clinical trial before it commences at that site. Informed consent must also be obtained from each study subject. Regulatory authorities, an IRB, a data safety monitoring board or the trial sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the participants are being exposed to an unacceptable health risk.

### ***Clinical Trials***

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

- Phase 1—The drug is initially given to healthy human subjects or patients and tested for safety, dosage tolerance, absorption, metabolism, distribution and excretion, the side effects associated with increasing doses, and if possible, to gain early evidence on effectiveness.
- Phase 2—The drug is evaluated in a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases or conditions and to determine dosage tolerance, optimal dosage and dosing schedule.
- Phase 3—Clinical trials are undertaken to further evaluate dosage, clinical efficacy and safety at geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall benefit-risk ratio of the product and to provide an adequate basis for product approval by the FDA.

Post-approval studies, or Phase 4 clinical trials, may be conducted after initial marketing approval. These studies may be required by the FDA as a condition of approval and are used to gain additional experience from the treatment of patients in the intended therapeutic indication. The FDA also has express statutory authority to require post-market clinical studies to address safety issues.

The FDCA permits the FDA and an IND sponsor to agree in writing on the design and size of clinical studies intended to form the primary basis of a claim of effectiveness in an NDA. This process is known as a Special Protocol Assessment, or SPA. An SPA agreement is not a guarantee of product approval by the FDA or approval of any permissible claims about the product. The FDA retains significant latitude and discretion in interpreting the terms of the SPA agreement and the data and results from any study that is the subject of the SPA agreement. In particular, the SPA agreement is not binding on the FDA if previously unrecognized public health concerns later come to light, other new scientific concerns regarding product safety or efficacy arise, the IND sponsor fails to comply with the protocol agreed upon, or the relevant data, assumptions, or information provided by the IND sponsor when requesting an SPA agreement change, are found to be false statements or misstatements, or are found to omit relevant facts. An SPA agreement may not be changed by the sponsor or the FDA after the trial begins except with the written agreement of the sponsor and the FDA, or if the FDA determines that a substantial scientific issue essential to determining the safety or effectiveness of the drug was identified after the testing began.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and written IND safety reports must be submitted to the FDA and the investigators for serious and unexpected adverse events or any finding from tests in laboratory animals that suggests a significant risk for human subjects. Phase 1, Phase 2 and Phase 3 clinical trials may fail to be completed successfully within any specified period, if at all. The FDA, the IRB or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the

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research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients. Additionally, some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data monitoring board or committee. This group provides authorization for whether or not a trial may move forward at designated checkpoints based on access to certain data from the study. A sponsor may also suspend or terminate a clinical trial based on evolving business objectives and/or competitive climate.

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

### ***FDA Review and Approval Processes***

In order to obtain approval to market a drug in the United States, a marketing application must be submitted to the FDA that provides data establishing to the FDA's satisfaction the safety and effectiveness of the investigational drug for the proposed indication. Each NDA submission requires a substantial user fee payment unless a waiver or exemption applies. The application includes all relevant data available from pertinent nonclinical studies and clinical trials, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls and proposed labeling, among other things. Data can come from company-sponsored clinical trials intended to test the safety and effectiveness of a use of a product, or from a number of alternative sources, including studies initiated by investigators.

The FDA will initially review the NDA for completeness before it accepts it for filing. The FDA has 60 days from its receipt of an NDA to determine whether the application will be accepted for filing based on the agency's threshold determination that the application is sufficiently complete to permit substantive review. If it is not, the FDA may refuse to file the NDA and request additional information, in which case the application must be resubmitted with the supplemental information, and review of the application is delayed. After the NDA submission is accepted for filing, the FDA reviews the NDA to determine, among other things, whether the proposed product is safe and effective for its intended use, and whether the product is being manufactured in accordance with cGMP to assure and preserve the product's identity, strength, quality and purity. The FDA may refer applications for novel drug products or drug products that present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved and, if so, under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Upon the filing of an NDA, the FDA may grant a priority review designation to a product, which sets the target date for FDA action on the application at 6 months, rather than the standard 10 months. Priority review is given for drug that treats a serious condition and, if approved, would provide a

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significant improvement in safety or effectiveness. Priority review designation does not change the scientific or medical standard for approval or the quality of evidence necessary to support approval. Whether priority or standard review applies, an additional 60 days is added to the target date for FDA action for new molecular entities.

After the FDA completes its initial review of an NDA, it will communicate to the sponsor that the drug will either be approved, or it will issue a complete response letter to communicate that the NDA will not be approved in its current form and inform the sponsor of changes that must be made or additional clinical, nonclinical or manufacturing data that must be received before the application can be approved, with no implication regarding the ultimate approvability of the application.

Before approving an NDA, the FDA will inspect the facilities at which the product is manufactured. The FDA will not approve the product unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA, the FDA may inspect one or more clinical sites to assure compliance with GCP. If the FDA determines the application, manufacturing process or manufacturing facilities are not acceptable, it typically will outline the deficiencies and often will request additional testing or information. This may significantly delay further review of the application. If the FDA finds that a clinical site did not conduct the clinical trial in accordance with GCP, the FDA may determine the data generated by the clinical site should be excluded from the primary efficacy analyses provided in the NDA. Additionally, notwithstanding the submission of any requested additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

Even if a product candidate receives regulatory approval, the approval may be limited to specific disease states, patient populations and dosages, or might contain significant limitations on use in the form of warnings, precautions or contraindications, or in the form of onerous risk management plans, restrictions on distribution, or post-marketing study requirements. For example, the FDA may require Phase 4 testing, which involves clinical trials designed to further assess a drug's safety and effectiveness and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized. The FDA may also determine that a risk evaluation and mitigation strategy, or REMS, is necessary to assure the safe use of the drug. If the FDA concludes a REMS is needed, the sponsor of the NDA must submit a proposed REMS, and the FDA will not approve the NDA without an approved REMS, if required. Depending on the FDA's evaluation of a drug's risks, a REMS may include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution requirements, patient registries and other risk minimization tools. Following approval of an NDA with a REMS, the sponsor is responsible for marketing the drug in compliance with the REMS and must submit periodic REMS assessments to the FDA.

Further, even after regulatory approval is obtained, later discovery of previously unknown problems with a product may result in restrictions on the product or even complete withdrawal of the product from the market. In addition, we cannot predict what adverse governmental regulations may arise from future U.S. or foreign governmental action.

### ***Expedited Review Programs***

The FDA has a Fast Track program that is intended to expedite or facilitate the process for reviewing new drug products that meet certain criteria. Specifically, new drugs are eligible for Fast

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Track designation if they are intended to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. Fast Track designation applies to the combination of the product and the specific indication for which it is being studied. For a Fast Track product, the FDA may consider for review sections of the NDA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the NDA, the FDA agrees to accept sections of the NDA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the NDA.

Any product submitted to the FDA for approval, including a product with a Fast Track designation, may also be eligible for other types of FDA programs intended to expedite development and review, such as priority review and accelerated approval. Drug products studied for their safety and effectiveness in treating serious or life-threatening diseases or conditions may receive accelerated approval upon a determination that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of approval, the FDA may require that a sponsor of a drug product receiving accelerated approval perform adequate and well-controlled post-marketing clinical studies. In addition, the FDA requires as a condition for accelerated approval pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the product.

The FDA may also expedite the review of a drug designated as a breakthrough therapy, which is a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. A sponsor may request the FDA to designate a drug as a breakthrough therapy at the time of, or any time after, the submission of an IND application for the drug. The designation of a drug as a breakthrough therapy provides the same benefits as are available under the Fast Track program, as well as intensive FDA guidance on the product's development program. If the FDA designates a drug as a breakthrough therapy, it must take actions appropriate to expedite the development and review of the application, which may include holding meetings with the sponsor and the review team throughout the development of the drug; providing timely advice to, and interactive communication with, the sponsor regarding the development of the drug to ensure that the development program to gather the nonclinical and clinical data necessary for approval is as efficient as practicable; involving senior managers and experienced review staff, as appropriate, in a collaborative, cross-disciplinary review; assigning a cross-disciplinary project lead for the FDA review team to facilitate an efficient review of the development program and to serve as a scientific liaison between the review team and the sponsor; and taking steps to ensure that the design of the clinical trials is as efficient as practicable, when scientifically appropriate, such as by minimizing the number of patients exposed to a potentially less efficacious treatment. The FDA may rescind a Breakthrough Therapy designation in the future if further clinical development later shows that the criteria for designation are no longer met.

Fast Track designation, priority review, accelerated approval and Breakthrough Therapy designation do not change the standards for approval, but may expedite the development or review process.

### ***Hatch-Waxman Act***

Under the Drug Price Competition and Patent Term Restoration Act of 1984, known as the “Hatch-Waxman Act,” Congress created an abbreviated FDA review process for generic versions of approved pioneer (brand name) NDA products. In considering whether to approve such a generic drug product submitted under an Abbreviated New Drug Application, or ANDA, the FDA generally requires that an ANDA applicant demonstrate that the proposed generic drug product’s active ingredient, strength, dosage form, and route of administration are the same as that of the reference product, that the two drugs are bioequivalent, that any impurities in the proposed product do not affect the product’s safety or effectiveness, and that its manufacturing processes and methods ensure the consistent potency and purity of its proposed product. Similarly, section 505(b)(2) of the Federal Food, Drug, and Cosmetic Act provides a reduced burden of demonstrating safety and effectiveness for an NDA for a product that is similar, but not identical, to the pioneer product.

The Hatch Waxman Act requires NDA applicants and NDA holders to provide certain information about patents related to the drug for listing in its publication Approved Drug Products with Therapeutic Equivalence Evaluations, referred to as the Orange Book. ANDA and 505(b)(2) applicants who seek to reference a pioneer drug must then certify regarding each of the patents listed with the FDA for the reference product. A certification that a listed patent is invalid or will not be infringed by the marketing of the applicant’s product is called a “Paragraph IV certification.”

The Hatch Waxman Act also provides periods of regulatory exclusivity for certain pioneer products during which FDA review or approval of an ANDA or 505(b)(2) application is precluded. If the pioneer product is a New Chemical Entity, or NCE, the FDA is precluded for a period of five years from accepting for review an ANDA or 505(b)(2) application for the same chemical entity. Under NCE exclusivity, the FDA may accept an ANDA or 505(b)(2) application for review after four years, however, if that application contains a Paragraph IV certification challenging one of the pioneer’s listed patents.

The Hatch Waxman Act also provides three years of exclusivity for applications containing the results of new clinical investigations (other than bioavailability studies) essential to the FDA’s approval of new uses of approved products, such as new indications, dosage forms, strengths, or conditions of use. During this three-year exclusivity period, the FDA may review but not approve an ANDA or 505(b)(2) application for a product with the same conditions of use as supported by those new clinical investigations. This exclusivity will not necessarily prohibit the FDA from accepting or approving ANDAs or 505(b)(2) applications for other products containing the same active ingredient.

If an ANDA or 505(b)(2) application containing a Paragraph IV certification is accepted for filing by the FDA, the applicant must within 20 days provide notice to the NDA holder and patent owner that the application has been submitted and provide the factual and legal basis for the applicant’s opinion that the patent is invalid or not infringed. The NDA holder or patent owner may then file suit against the ANDA or 505(b)(2) applicant for patent infringement. If a suit is filed within 45 days of receiving notice of the Paragraph IV certification, the FDA is precluded from approving the ANDA or 505(b)(2) application for a period of 30 months. The 30-month stay generally begins on the date of the receipt of notice by the NDA holder or patent owner. If the pioneer product has NCE exclusivity and the pioneer files suit against the ANDA or 505(b)(2) application during the fifth year of exclusivity, however, the 30-month stay will not be triggered until five years from the date of the reference drug’s approval. The FDA may approve the proposed product before the expiration of the 30-month stay if a court finds the patent invalid or not infringed or if the court shortens the period because the parties have failed to cooperate in expediting the litigation.



***Post-Approval Requirements***

If and when approved, any products manufactured or distributed by us or on our behalf will be subject to continuing regulation by the FDA, including requirements for record-keeping, reporting of adverse experiences and submitting annual reports.

***Good Manufacturing Practices***

Drug manufacturers are required to register their facilities with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMPs, which impose certain quality processes, manufacturing controls and documentation requirements upon us and our third-party manufacturers in order to ensure that the product is safe, has the identity and strength, and meets the quality and purity characteristics that it purports to have. The FDA and certain states also impose requirements on manufacturers and distributors to establish the pedigree of product in the chain of distribution, including some states that require manufacturers and others to adopt new technology capable of tracking and tracing product as it moves through the distribution chain. We cannot be certain that we or our present or future suppliers will be able to comply with the cGMP and other FDA regulatory requirements. If our present or future suppliers are not able to comply with these requirements, the FDA may halt our clinical trials, fail to approve any NDA or other application, shut down manufacturing operations or withdraw approval of the NDA for that drug, or we may recall the drug from distribution. Noncompliance with cGMP or other requirements can result in issuance of warning letters, civil and criminal penalties, seizures and injunctive action.

***Advertising and Promotion***

The FDA closely regulates the labeling, marketing and promotion of drugs. While doctors are free to prescribe any drug approved by the FDA for any use, a company can only make claims relating to safety and efficacy of a drug that are consistent with FDA approval, and the company is allowed to actively market a drug only for the particular use and treatment approved by the FDA. In addition, any claims we make for our products in advertising or promotion must be appropriately balanced with important safety information and otherwise be adequately substantiated. Failure to comply with these requirements can result in adverse publicity, warning letters, corrective advertising, injunctions and potential civil and criminal penalties. Government regulators recently have increased their scrutiny of the promotion and marketing of drugs.

***Coverage and Reimbursement***

In both domestic and foreign markets, sales of any products for which we may receive regulatory approval will depend in part upon the availability of coverage and adequate reimbursement to healthcare providers from third-party payors. Such third-party payors include government health programs, such as Medicare and Medicaid, as well as managed care providers, private health insurers and other organizations. Coverage decisions may depend upon clinical and economic standards that disfavor new drug products when more established or lower cost therapeutic alternatives are available. Assuming coverage is granted, the reimbursement rates paid for covered products might not be adequate. Even if favorable coverage status and adequate reimbursement rates are attained, less favorable coverage policies and reimbursement rates may be implemented in the future. The marketability of any products for which we may receive regulatory approval for commercial sale may suffer if the government and other third-party payors fail to provide coverage and adequate

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reimbursement to allow us to sell such products on a competitive and profitable basis. For example, under these circumstances, physicians may limit how much or under what circumstances they will prescribe or administer such products, and patients may decline to purchase them. This, in turn, could affect our ability to successfully commercialize our products and impact our profitability, results of operations, financial condition, and future success.

In the United States, the European Union and other potentially significant markets for our product candidates, government authorities and third party payors are increasingly attempting to limit or regulate the price of medical products and services, particularly for new and innovative products and therapies. Such pressure, along with the increased emphasis on managed healthcare in the United States and on country and regional pricing and reimbursement controls in the European Union, will likely put additional downward pressure on product pricing, reimbursement and usage, which may adversely affect our future product sales and results of operations. These pressures can arise from rules and practices of managed care groups, judicial decisions, governmental laws and regulations related to government healthcare programs, healthcare reform, and pharmaceutical coverage and reimbursement policies.

The market for any product candidates for which we may receive regulatory approval will depend significantly on the degree to which these products are listed on third-party payors' drug formularies, or lists of medications for which third-party payors provide coverage and reimbursement to the extent products for which we may receive regulatory approval are covered under a pharmacy benefit or are otherwise subject to a formulary. The industry competition to be included on such formularies often leads to downward pricing pressures on pharmaceutical companies. Also, third-party payors may refuse to include a particular branded drug on their formularies or otherwise restrict patient access to a branded drug when a less costly generic equivalent or other alternative is available. In addition, because each third-party payor individually approves coverage and reimbursement levels, obtaining coverage and adequate reimbursement is a time-consuming and costly process. Further, one payor's determination to provide coverage for a drug product does not assure that other payors will also provide coverage for the drug product. We may be required to provide scientific and clinical support for the use of any product to each third-party payor separately with no assurance that approval would be obtained, and we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the cost-effectiveness of our products. We cannot be certain that our product candidates will be considered cost-effective. This process could delay the market acceptance of any product candidates for which we may receive approval and could have a negative effect on our future revenues and operating results.

### ***Federal and State Fraud and Abuse and Data Privacy and Security Laws and Regulations***

In addition to FDA restrictions on marketing of pharmaceutical products, federal and state laws restrict business practices in the pharmaceutical industry. These laws include anti-kickback and false claims laws and regulations as well as data privacy and security laws and regulations. The federal Anti-Kickback Statute prohibits persons and entities from, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration to induce or in return for purchasing, leasing, ordering or arranging for or recommending the purchase, lease or order of any item or service reimbursable under Medicare, Medicaid or other federal healthcare programs. The term "remuneration" has been broadly interpreted to include anything of value. The Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on one hand and prescribers, purchasers and formulary managers on the other. Although there are a number of statutory

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exemptions and regulatory safe harbors protecting some common activities from prosecution, the exemptions and safe harbors are drawn narrowly. Practices that involve remuneration that may be alleged to be intended to induce prescribing, purchases or recommendations may be subject to scrutiny if they do not qualify for an exemption or safe harbor. Several courts have interpreted the statute's intent requirement to mean that if any one purpose of an arrangement involving remuneration is to induce referrals of federal healthcare covered business, the statute has been violated.

The reach of the Anti-Kickback Statute was also broadened by the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively the Affordable Care Act, which, among other things, amended the intent requirement of the federal Anti-Kickback Statute such that a person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation. In addition, the Affordable Care Act provides that the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act or the civil monetary penalties statute, which imposes penalties against any person who is determined to have presented or caused to be presented a claim to a federal health program that the person knows or should know is for an item or service that was not provided as claimed or is false or fraudulent.

The federal False Claims Act prohibits any person from knowingly presenting, or causing to be presented, a false claim for payment to the federal government or knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government. A claim includes "any request or demand" for money or property presented to the U.S. government. Several pharmaceutical and other healthcare companies have been prosecuted under these laws for allegedly providing free product to customers with the expectation that the customers would bill federal programs for the product. Other companies have been prosecuted for causing false claims to be submitted because of the companies' marketing of products for unapproved, and thus non-reimbursable, uses. In addition, the federal Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, and their respective implementing regulations, or HIPAA, created federal criminal laws that prohibit knowingly and willfully executing a scheme to defraud any healthcare benefit program, including private third party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services.

Many states have similar fraud and abuse statutes or regulations, including, without limitation, laws analogous to the federal Anti-Kickback Statute and the federal False Claims Act, that apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payor. Some of these state laws apply to a broader range of conduct and may not have the same exceptions as analogous federal laws. Accordingly, our business will be subject to these provisions as well in the states in which we do business.

The federal Physician Payments Sunshine Act, enacted as part of the Affordable Care Act requires applicable manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program, with specific exceptions, to track and annually report to CMS payments and other transfers of value provided to

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physicians and teaching hospitals and certain ownership and investment interests held by physicians or their immediate family members. If our operations are found to be in violation of any of such laws we may be subject to penalties, which could adversely affect our ability to operate our business and our financial results.

In addition, we may be subject to data privacy and data security regulation by both the federal government and the states in which we conduct our business. HIPAA imposes specified requirements relating to the privacy, security and transmission of certain individually identifiable health information. HIPAA applies to certain covered entity health care providers, health plans and health care clearinghouses as well as their business associates, which are entities that create, receive, maintain or transmit protected health information in connection with providing a service to or performing an activity for or on behalf of a covered entity. Violations of HIPAA may result in civil and/or criminal penalties and state attorneys general have authority to file civil actions for damages or injunctions in federal courts to enforce HIPAA and seek attorney's fees and costs associated with pursuing federal civil actions. Even if we are not directly subject to HIPAA, we could be subject to criminal penalties if we knowingly obtain or disclose individually identifiable health information maintained by a HIPAA covered entity in a manner not authorized or permitted by HIPAA. In addition, state laws govern the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. We may also be subject to federal and state laws that govern the privacy and security of other personal information, including federal and state consumer protection laws, state data security laws, and data breach notification laws. A data breach affecting sensitive personal information, including health information, could result in significant legal and financial exposure and reputational damages.

Because of the breadth of these laws and the narrowness of available statutory and regulatory exemptions, it is possible that some of our business activities could be subject to challenge, investigation or legal action under one or more of such laws. If our operations are found to be in violation of any of the federal and state laws described above or any other governmental regulations that apply to us, we may be subject to significant civil, criminal, and administrative penalties, including, without limitation, damages, fines, imprisonment, exclusion from participation in government healthcare programs, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. To the extent that any of our product candidates receive approval and are sold in a foreign country, we may be subject to similar foreign laws and regulations, which may include, for instance, applicable post-marketing requirements, including safety surveillance, anti-fraud and abuse laws, international data protection laws (including the EU Directive 95/46/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data as well as EU member state implementing legislation), and implementation of corporate compliance programs and reporting of payments or transfers of value to healthcare professionals.

### ***Healthcare Reform***

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidates for which we obtain marketing approval. Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality

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and expanding access. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives. In March 2010, the President signed into law the Affordable Care Act, which substantially changes the way healthcare will be financed by both governmental and private insurers, and significantly impacts the pharmaceutical industry. Among the provisions of the Affordable Care Act of importance to our business, including, without limitation, our ability to commercialize, and the prices we may obtain for, any of our product candidates that are approved for sale, are the following:

- an annual, nondeductible fee on any entity that manufactures or imports branded prescription drugs and biologic agents, apportioned among these entities according to their sales of branded prescription drugs under certain government healthcare programs, such as Medicare and Medicaid;
- increases in the statutory minimum rebates a manufacturer must pay as a condition to having covered drugs available for payment under the Medicare Part B and Medicaid programs to 23.1% and 13% of the average manufacturer price for branded and generic drugs, respectively;
- expansion of healthcare fraud and abuse laws, including the federal False Claims Act and the federal Anti-Kickback Statute, and the addition of new government investigative powers and enhanced penalties for non-compliance;
- extension of a manufacturer's Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;
- a new Medicare Part D coverage gap discount program, under which a participating manufacturer must agree to offer 50% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to additional individuals and by adding new eligibility categories for certain individuals with income at or below 133% of the federal poverty level beginning in 2014;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program, known as the 340B drug pricing program;
- the new requirements under the federal Open Payments program created as part of the Physician Payments Sunshine Act under Section 6002 of the Affordable Care Act and its implementing regulations, which requires manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to the U.S. Department of Health and Human Services information related to "payments or other transfers of value" made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals. Applicable manufacturers and applicable group purchasing organizations must also report annually to the U.S. Department of Health and Human Services ownership and investment interests held by physicians (as defined above) and their immediate family members. Data collection for these reporting requirements began on August 1, 2013, and manufacturers were required to submit reports to the U.S. Department of Health and Human Services by March 31, 2014. Beginning in 2015,

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manufacturers are required to submit data reports by the 90th day of each calendar year. The U.S. Department of Health and Human Services discloses the information on a public website;

- a new requirement to annually report drug samples that manufacturers and distributors provide to physicians; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

Some of the reforms under the Affordable Care Act are slated for implementation in 2015. The effects of such reforms will be shaped significantly by implementing regulations that have yet to be finalized. In 2012, the Centers for Medicare and Medicaid Services, or CMS, issued proposed regulations to implement the changes to the Medicaid Drug Rebate Program under the ACA but has not yet issued final regulations. CMS is currently expected to release the final regulations later in 2015.

The Affordable Care Act also establishes an Independent Payment Advisory Board, or IPAB, to reduce the per capita rate of growth in Medicare spending. IPAB is mandated to propose recommendations to reduce the rate of Medicare spending growth if it is determined that the rate of growth of Medicare expenditures exceeds target growth rates. The IPAB has broad discretion to propose policies to reduce expenditures, which may have a negative impact on payment rates for medical products and services. A proposal made by the IPAB is required to be implemented by the U.S. government's Centers for Medicare and Medicaid Services unless Congress adopts a proposal intended to supersede the IPAB's recommendations or to discontinue the automatic implementation of the IPAB's proposals. IPAB proposals could impact payments for physician and free-standing services, among other things, beginning in 2015 and for hospital services beginning in 2020. However, as of early August 2015, the IPAB members have yet to be selected.

In addition, other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. These changes include aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, on average, through 2024, which went into effect in April 2013. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several types of providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. The full impact on our business of the Affordable Care Act and other new laws is uncertain but may result in additional reductions in Medicare and other healthcare funding. Nor is it clear whether other legislative changes will be adopted, if any, or how such changes would affect the demand for our drugs once commercialized.

### ***Regulations Outside of the United States***

In addition to regulations in the United States, we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our product candidates to the extent we choose to sell any products outside of the United States. Whether or not we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country and the time may be longer or shorter than that required for FDA approval. For example, based on scientific advice from the European Medicines Agency, or the EMA, we believe our current clinical development plan is likely to be insufficient to receive regulatory approval in Europe. During the next year, we plan to work with the

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EMA to formulate a development plan that may be more acceptable, but may be unsuccessful in doing so or such plan may not be feasible. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country. As in the United States, post-approval regulatory requirements, such as those regarding product manufacture, marketing, or distribution would apply to any product that is approved outside the United States.

### ***Other Regulations***

We are also subject to numerous federal, state and local laws relating to such matters as safe working conditions, manufacturing practices, environmental protection, fire hazard control, and disposal of hazardous or potentially hazardous substances. We may incur significant costs to comply with such laws and regulations now or in the future.

### **Employees**

As of January 4, 2016, we had 16 full-time employees and one part-time employee. Of the full-time employees, eight were primarily engaged in research and development activities and four have an M.D. or Ph.D. degree. None of our employees are represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

### **Facilities**

Our headquarters is currently located in Waltham, Massachusetts, and consists of 4,712 square feet of leased office space under a lease that expires on April 30, 2017.

### **Legal Proceedings**

We are not currently subject to any material legal proceedings.

## MANAGEMENT

### Directors and Executive Officers

The following table sets forth the name, age and position of each of our directors and executive officers as of January 4, 2016.

<u>Name</u>	<u>Age</u>	<u>Position</u>
<i>Directors</i>		
Dennis G. Podlesak <sup>(2)</sup>	58	Chairman of the Board of Directors
Henry Chen	44	Director
Fabrice Egros, Ph.D. <sup>(1)</sup>	53	Director
Luke Evnin, Ph.D. <sup>(2)(3)</sup>	52	Director
Kim P. Kamdar, Ph.D. <sup>(3)</sup>	48	Director
Ivor Royston, M.D. <sup>(3)</sup>	70	Director
Richard P. Shea <sup>(1)</sup>	64	Director
George W. Sledge Jr., M.D. <sup>(1)(2)</sup>	64	Director
<i>Executive Officers</i>		
Briggs W. Morrison, M.D.	56	Chief Executive Officer and Director
Michael A. Metzger	44	President and Chief Operating Officer
Michael L. Meyers, M.D., Ph.D.	65	Senior Vice President, Chief Development Officer
John S. Pallies	51	Chief Financial Officer, Treasurer and Secretary
Peter Ordentlich, Ph.D.	47	Chief Technology Officer

(1) Member of the audit committee.

(2) Member of the compensation committee.

(3) Member of the nominating and corporate governance committee.

The following includes a brief biography for each of our directors and executive officers. There are no family relationships among any of our directors or executive officers.

#### *Directors*

**Dennis G. Podlesak** has served as chairman of our board of directors since December 2008. Since November 2007, Mr. Podlesak has served as a partner at Domain Associates, LLC, a life science-focused venture capital firm. While at Domain, Mr. Podlesak has been the founder and the Chief Executive Officer of a number of companies, including Calixa Therapeutics, Inc., a privately held biopharmaceutical company which was acquired by Cubist Pharmaceuticals, Inc. in December 2009. Mr. Podlesak was also the Executive Chairman of Corthera, Inc., a privately held biopharmaceutical company, which was acquired by Novartis AG in January 2010. Prior to joining Domain, from 2005 to 2007, Mr. Podlesak served as the Founder and Chief Executive Officer of Cerexa, Inc., a privately held biotechnology company, which became a wholly owned subsidiary of Forest Laboratories, Inc. after being acquired by Forest in January 2007. From 2004 to 2005, Mr. Podlesak served as the Chief Executive Officer of Peninsula Pharmaceuticals Inc., a privately held pharmaceutical company, and in June 2005, he led the sale of Peninsula to Ortho-McNeil Pharmaceutical, Inc., a subsidiary of Johnson & Johnson. Prior to joining Peninsula, Mr. Podlesak held various senior executive positions at Novartis AG, a publicly traded healthcare company, Allergan plc, a publicly traded healthcare company, and SmithKline Beecham (now GlaxoSmithKline plc, a publicly traded pharmaceutical company). Mr. Podlesak currently serves on the board of Tobira Therapeutics, Inc., a publicly traded



biotechnology company, as well as on a number of private company boards. Until January 2015, Mr. Podlesak served on the board of Avanir Pharmaceuticals, Inc., a publicly traded biopharmaceutical company. Mr. Podlesak received a B.A. and an M.B.A. from Pepperdine University, and has completed postgraduate studies at the Wharton School, University of Pennsylvania. We believe that Mr. Podlesak's experience in the venture capital industry, his experience as the Chief Executive Officer and Chairman of other successful companies in the biotechnology industry, his over 20 years of strategic, operational and commercial experience in the pharmaceutical industry, and his service as a director of other publicly traded and privately held life science companies give him the qualifications, skills and financial expertise to serve on our board of directors.

**Henry Chen** has served as a member of our board of directors since June 2015. Mr. Chen is the Managing Partner of Delos Capital Fund LP, a healthcare-focused venture capital fund. Prior to establishing Delos in 2014, Mr. Chen was a Partner and Co-Head of Asia at Permira Advisers LLP, a European private equity firm. Prior to joining Permira in 2008, Mr. Chen spent nine years in Investment Banking at Goldman Sachs & Co., where he was a Managing Director and co-headed the General Industrials Group, Asia (excluding Japan), which covered the consumer retail, healthcare, industrials and transportation sectors. Prior to that, Mr. Chen was a corporate finance lawyer with Davis Polk & Wardwell LLP in New York and Hong Kong. Mr. Chen received a B.A. and an M.A. from Harvard University and a J.D. from Harvard Law School. Mr. Chen's experience in the venture capital industry and his experience in the investment banking and legal industries give him the qualifications, skills and financial expertise to serve on our board of directors.

**Fabrice Egros, Ph.D.** has served as a member of our board of directors since September 2013. Since October 2015, Dr. Egros has served as President, Asia Pacific and Japan of Lupin Limited, an Indian publicly traded pharmaceutical company. From November 2012 to September 2015, Dr. Egros served as the Deputy Chief Executive Officer/Chief Operating Officer of NovaMedica LLC, a privately held pharmaceutical company, and was its Chief Operating Officer and a member of its board of directors from July 2012 to September 2015. From February 2011 to July 2012, Dr. Egros served as the Chief Operating Officer of Xanodyne Pharmaceuticals, Inc., a privately held pharmaceutical company. From September 2009 to February 2011, he served as the Senior Vice President, Corporate Business Development and Strategy of UCB, S.A., a publicly traded biopharmaceutical company. From August 2006 to August 2009, Dr. Egros served as the President of UCB, Inc., a subsidiary of UCB, S.A., and from September 2003 to August 2006, he served as the President of UCB Japan Co. Ltd., a subsidiary of UCB, S.A. Prior to joining UCB, Dr. Egros held various management and executive positions at Parke-Davis, Warner Lambert Company, a privately held pharmaceutical company, and Sanofi, formerly known as Sanofi-Aventis, a publicly traded pharmaceutical company. Dr. Egros received a B.S. in Pharmacokinetics and Metabolism from Schiller International University and a Pharm.D. and Ph.D. in Pharmaceutical Sciences from Chatenay Malabry University, and has participated in the Advanced Management Program at Harvard University. We believe that Dr. Egros's experience as an executive officer of other successful companies in the pharmaceutical industry gives him the qualifications, skills and financial expertise to serve on our board of directors.

**Luke Evnin, Ph.D.** has served as a member of our board of directors since May 2012. Dr. Evnin has served as a managing director at MPM Capital, a healthcare-focused venture capital firm, since he co-founded MPM's asset management business in 1997. Prior to joining MPM, Dr. Evnin spent seven years at Accel Partners, a venture capital firm, including four years as general partner. Dr. Evnin currently serves on a number of private company boards, and has served as director of several public companies, including Enteromedics Inc, Epix Medical, Inc., Intercell AG, Metabasis Therapeutics, Inc. (acquired by Ligand Pharmaceuticals, Inc.), Oscent Pharmaceuticals Corp., Pacira Pharmaceuticals,

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Inc., Restore Medical, Inc. (acquired by Medtronic, Inc.), Sonic Innovations, Inc. and Signal Pharmaceuticals, Inc. (acquired by Celgene Corporation). Dr. Evin received an A.B. in Molecular Biology from Princeton University and a Ph.D. in Biochemistry from the University of California, San Francisco. We believe that Dr. Evin's experience in the venture capital industry and his service as a director of other publicly traded and privately held life science companies give him the qualifications, skill and financial expertise to serve on our board of directors.

**Kim P. Kamdar, Ph.D.** has served as a member of our board of directors since September 2006. Dr. Kamdar joined Domain Associates, LLC, a life science-focused venture capital firm, in January 2005 and has served as a partner at Domain since January 2011. Prior to joining Domain, Dr. Kamdar spent two years as a Kauffman Fellow with MPM Capital, Inc., a healthcare-focused venture capital firm. She also served as a Research Director at Novartis AG, a publicly traded healthcare company, and founded Aryzun Pharmaceuticals, Inc., a privately held biotechnology company. Dr. Kamdar currently serves as director of Neothetics, Inc, a publicly traded pharmaceutical company, and also serves on a number of private company boards. Dr. Kamdar received a B.A. from Northwestern University and a Ph.D. from Emory University. We believe that Dr. Kamdar's experience in the venture capital industry, and her service as a director of privately held life science companies give her the qualifications, skills and financial expertise to serve on our board of directors.

**Ivor Royston, M.D.** has served as a member of our board of directors since September 2013. In 1990, Dr. Royston founded Forward Ventures, a life science-focused venture capital firm, where he has served as a managing member. Since November 2014, Dr. Royston has served as Chief Executive Officer of Veracta, Inc., a privately held biotechnology company. Prior to founding Forward Ventures, Dr. Royston spent 10 years as the founding President and Chief Executive Officer of the Sidney Kimmel Cancer Center, a non-profit organization, and 12 years on the faculty of the medical school and cancer center at the University of California, San Diego. Dr. Royston also co-founded IDEC Corporation, which merged with Biogen, Inc. to form Biogen Idec, Inc. (now Biogen, Inc.), a publicly traded biotechnology company, and Hybritech, Inc., which was acquired by Eli Lilly & Company, a publicly traded company. Dr. Royston has served on a number of public and private company boards, and is currently a member of the board of directors of Biocept, Inc., a publicly traded molecular cancer diagnostic company, and MMRGlobal, Inc., a publicly traded health record company. Dr. Royston received a B.A. in Human Biology and an M.D. from Johns Hopkins University, and has completed post-doctoral training in Internal Medicine and Medical Oncology at Stanford University. We believe that Dr. Royston's experience in the venture capital industry, his experience co-founding other successful companies in the pharmaceutical industry, and his service as a director of other publicly traded and privately held life science companies give him the qualifications, skills and financial expertise to serve on our board of directors.

**Richard P. Shea** has served as a member of our board of directors since January 2014. Since July 2007, Mr. Shea has served as Senior Vice President and Chief Financial Officer of Momenta Pharmaceuticals Inc., a publicly traded biotechnology company, and has been its Vice President and Chief Financial Officer since October 2003. Prior to joining Momenta, he served as Chief Operating Officer and Chief Financial Officer of Variagenics Inc., a publicly traded pharmacogenomics company, that was merged with Hyseq Pharmaceuticals Inc., and as Vice President, Finance of Genetics Institute, Inc., a publicly traded biotechnology company, which was acquired by Wyeth Pharmaceuticals, Inc., which was then acquired by Pfizer, Inc. Mr. Shea is a certified public accountant and received an A.B. from Princeton University and an M.B.A. from the Public Management Program at Boston University. We believe that Mr. Shea's experience as an executive officer of other successful companies in the pharmaceutical industry gives him the qualifications, skills and financial expertise to serve on our board of directors.

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**George W. Sledge Jr., M.D.** has served as a member of our board of directors since January 2014. Since January 2013, Dr. Sledge has been Professor and Chief of Medical Oncology at Stanford University Medical Center. Dr. Sledge served as a Co-director of the breast cancer program at the Indiana University Simon Cancer Center from 1989 to 2012, and was a Professor of Medicine and Pathology at the Indiana University School of Medicine from 1994 to 2013. From 2010 to 2011, Dr. Sledge served as the President of the American Society of Clinical Oncology, a professional organization representing oncologists. Dr. Sledge is currently Associate Editor of JAMA Oncology, and has served as a member of the External Advisory Committee for The Cancer Genome Atlas project, chairman of the Breast Committee of the Eastern Cooperative Oncology Group, chairman of the Education Committee of the American Society of Clinical Oncology, a member of the Department of Defense Breast Cancer Research Program's Integration Panel, and a member of the Food and Drug Administration's Oncology Drug Advisory Committee, and the NCI's Clinical Trials Advisory Committee. Dr. Sledge received a B.A. from the University of Wisconsin and an M.D. from Tulane University. We believe that Dr. Sledge's experience in the study and treatment of breast cancer and new drug development, his regulatory experience, and his experience as an executive officer of a professional organization gives him the qualifications, skills and financial expertise to serve on our board of directors.

### **Executive Officers**

**Briggs W. Morrison, M.D.** has served as our Chief Executive Officer since June 2015 and as a member of our board of directors since July 2015. Dr. Morrison currently serves as a managing director of MPM Capital, a healthcare-focused venture capital firm, since June 2015. Prior to joining us, he served as Executive Vice President, Global Medicines Development and Chief Medical Officer at AstraZeneca plc, a publicly traded company, from January 2012 to June 2015, leading the company's global, late-stage development organization and serving as a member of the AstraZeneca senior executive team. He previously held a number of positions at Pfizer Inc., a publicly traded company, from 2007 to January 2012 that culminated in his appointment as Head, Medical Affairs, Safety and Regulatory Affairs for Pfizer's human health business, and also served in roles of increasing responsibility at Merck Research Laboratories, a division of Merck & Co., Inc., from 1995 to 2007, ascending to the role of Vice President, Clinical Sciences, Oncology, responsible for clinical development of all novel anti-cancer drugs. Dr. Morrison was chairman of the board of TransCelerate BioPharma Inc., an industry-funded company charged with improving aspects of clinical trials, from 2014 to 2015, a member of the executive committee of the Clinical Trials Transformation Initiative (CTTI) sponsored by FDA, and is on the board of ACRES (Alliance for Clinical Research Excellence and Safety). Dr. Morrison received a B.S. in biology from Georgetown University and an M.D. from the University of Connecticut. We believe that Dr. Morrison's experience as an executive officer of other successful companies in the pharmaceutical industry gives him the qualifications, skills and financial expertise to serve on our board of directors.

**Michael A. Metzger** has served as our President and Chief Operating Officer since May 2015. Prior to joining us, Mr. Metzger was President and COO from December 2013 to October 2014 and President and Chief Executive Officer and a member of the board of directors of Regado Biosciences, Inc., a former publicly traded company that merged with Tobira Therapeutics, Inc., from October 2014 to May 2015, where he oversaw the company's successful merger with Tobira Therapeutics, Inc. in 2015. Previously, Mr. Metzger served as Executive Vice President and Chief Operating Officer at Mersana Therapeutics, Inc., a privately held biopharmaceutical company developing novel immunoconjugate therapies for cancer, from March 2011 to November 2013, and in senior business

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development positions including leading mergers and acquisitions at Forest Laboratories, LLC, which was acquired by Allergan plc, a publicly traded company, from 2006 to February 2011. Prior to Forest, Mr. Metzger served as Vice President Corporate Development at Onconova Therapeutics, Inc., from 2001 until 2006, and was a Managing Director at MESA Partners, Inc., a venture capital firm, from 1997 to 2001. Mr. Metzger received a B.A. from George Washington University and an M.B.A. in Finance from the New York University Stern School of Business.

**Michael L. Meyers, M.D., Ph.D.** has served as our Senior Vice President, Chief Development Officer since August 2015. Prior to joining us, Dr. Meyers held a number of senior roles at Johnson & Johnson, a publicly traded company, serving as Vice President, GU Oncology, Compound and Clinical Leader, and as Vice President, Oncology Scientific Innovation in Johnson and Johnson's London Innovation Centre. Dr. Meyers also led the U.S. Oncology Medical Affairs team at Aventis Pharmaceuticals Inc., a privately held life sciences company, predecessor to Sanofi-Aventis U.S. LLC, and worked in oncology clinical development at the Schering-Plough Research Institute. Dr. Meyers served on the Memorial Sloan Kettering Cancer Center faculty, specializing in Clinical Immunology and melanoma. He received his M.D. and his Ph.D. in Microbiology and Immunology from Albert Einstein College of Medicine in New York and was elected to the American Osteopathic Association. Dr. Meyers completed his residency in Internal Medicine at Columbia Presbyterian Medical Center and his fellowship, where he served as Chief Fellow in Medical Oncology, at Memorial Sloan Kettering Cancer Center.

**John S. Pallies** has served as our Chief Financial Officer since November 2013, as our Treasurer since November 2010 and as our Secretary since June 2015. Mr. Pallies previously served as our Vice President, Finance and Administration from January 2012 to October 2013, our Executive Director of Finance and Controller from January 2011 to December 2011, and our Controller and Director of Finance from October 2007 to December 2010. Prior to joining us, Mr. Pallies served as the Controller and Director of Finance at Cerimon Pharmaceuticals, Inc., a privately held biopharmaceutical company, and as Director of Financial Operations at Akamai Technologies, Inc., a publicly traded high-technology company. Mr. Pallies was also a management consultant at Arthur Andersen LLP. Mr. Pallies received a B.S. in Marketing from Boston College and an M.B.A. from The Carroll School of Management at Boston College.

**Peter Ordentlich, Ph.D.** co-founded the company in October 2005 and has served as our Chief Technology Officer since November 2013. Dr. Ordentlich previously served as our Vice President, Translational Medicine from January 2012 to October 2013, our Executive Director, Translational Science from January 2011 to December 2011, and our Director, Scientific Affairs and Strategic Alliances from January 2008 to December 2010. Prior to founding the company, Dr. Ordentlich was a scientist at the Salk Institute for Biological Studies, a biological research non-profit organization. He also spent five years as a research scientist at X-Cepto Therapeutics, Inc., a drug discovery company, which was acquired by Exelixis, Inc. Dr. Ordentlich received a B.A. in Biochemistry and a Ph.D. in Immunology from the University of Pennsylvania.

### **Composition of the Board of Directors**

Our amended and restated bylaws provide that the size of our board of directors will be determined from time to time by resolution of our board of directors. Our board of directors currently consists of nine directors, seven of whom qualify as independent directors under the rules and regulations of the Securities and Exchange Commission, or SEC, and The NASDAQ Stock Market, LLC, or NASDAQ.

## **Election of Directors**

Immediately prior to the completion of this offering, our amended and restated certificate of incorporation will provide for a classified board of directors consisting of three classes of directors. We will have three directors in each of Class I, Class II and Class III, each serving a staggered three-year term. At each annual meeting of stockholders, our stockholders will elect successors to directors whose terms then expire to serve from the time of election and qualification until the third annual meeting following election. After the completion of this offering, our directors will be divided among the three classes as follows:

- Class I directors will be Drs. Egros, Kamdar and Royston, and their terms will expire at the annual meeting of stockholders to be held in 2016;
- Class II directors will be Mr. Chen and Drs. Evnin and Sledge, and their terms will expire at the annual meeting of stockholders to be held in 2017; and
- Class III directors will be Dr. Morrison and Messrs. Podlesak and Shea, and their terms will expire at the annual meeting of stockholders to be held in 2018.

The classification of our board of directors may have the effect of delaying or preventing changes in control of our company. We expect that additional directorships resulting from an increase in the number of directors, if any, will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

## **Independence of the Board of Directors and Board Committees**

Rule 5605 of the NASDAQ Marketplace Rules, or the NASDAQ Listing Rules, requires that independent directors compose a majority of a listed company's board of directors. In addition, the NASDAQ Listing Rules require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and corporate governance committees be independent and that audit committee members also satisfy independence criteria set forth in Rule 10A-3 under the Exchange Act of 1934, as amended, or the Exchange Act. Under NASDAQ Listing Rule 5605(a)(2), a director will only qualify as an "independent director" if, in the opinion of our board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In order to be considered independent for purposes of Rule 10A-3 under the Exchange Act, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors or any other board committee: (1) accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries. In addition to satisfying general independence requirements under the NASDAQ Listing Rules, members of the compensation committee must also satisfy additional independence requirements set forth in NASDAQ Listing Rule 5605(d)(2). In order to be considered independent for purposes of NASDAQ Listing Rule 5605(d)(2), a member of a compensation committee of a listed company may not, other than in his or her capacity as a member of the compensation committee, the board of directors or any other board committee, accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries. Additionally, the board of directors of the listed company must consider whether the compensation committee member is an affiliated person of the listed company or any of its subsidiaries and, if so, must determine whether such affiliation would impair the director's judgment as a member of the compensation committee.

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In August 2015, our board of directors undertook a review of the composition of our board of directors and its committees and the independence of each director. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family and other relationships, including those relationships described under “Certain Relationships and Related Party Transactions,” our board of directors determined that none of our directors other than Dr. Morrison has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is “independent” as that term is defined under Rule 5605(a)(2) of the NASDAQ Listing Rules. Dr. Morrison is not considered independent because he currently serves as our Chief Executive Officer. Our board of directors also determined that each member of the audit, compensation, and nominating and corporate governance committees satisfies the independence standards for such committees established by the SEC and the NASDAQ Listing Rules, as applicable. In making these determinations on the independence of our directors, our board of directors considered the relationships that each such non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining independence, including the beneficial ownership of our capital stock by each non-employee director.

### **Board Leadership Structure and the Role of the Board in Risk Oversight**

#### ***Board Leadership Structure***

The positions of our chairman of the board and Chief Executive Officer are separated. Separating these positions allows our Chief Executive Officer to focus on our day-to-day business, while allowing the chairman of the board to lead our board of directors in its fundamental role of providing advice to and independent oversight of management. Our board of directors recognizes the time, effort and energy that the Chief Executive Officer must devote to his position in the current business environment, as well as the commitment required to serve as our chairman, particularly as our board of directors’ oversight responsibilities continue to grow. Our board of directors also believes that this structure ensures a greater role for the independent directors in the oversight of the company and active participation of the independent directors in setting agendas and establishing priorities and procedures for the work of our board of directors.

Although our amended and restated bylaws that will be in effect immediately prior to the completion of this offering will not require that we separate the chairman of the board and Chief Executive Officer positions, our board of directors believes that having separate positions is the appropriate leadership structure for us at this time. Our board of directors recognizes that depending on the circumstances, other leadership models, such as combining the role of chairman of the board with the role of Chief Executive Officer, might be appropriate. Accordingly, our board of directors may periodically review its leadership structure. Our board of directors believes its administration of its risk oversight function has not affected its leadership structure.

Our independent directors will meet alone in executive session at least quarterly each year. The purpose of these executive sessions is to promote open and candid discussion among the independent directors.

#### ***Role of the Board in Risk Oversight***

We face a number of risks, including those described in the section titled “Risk Factors” contained elsewhere in this prospectus. Our board of directors believes that risk management is an important part

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of establishing, updating and executing on the company's business strategy. Our board of directors, as a whole and at the committee level, has oversight responsibility relating to risks that could affect the corporate strategy, business objectives, compliance, operations, and the financial condition and performance of the company. Our board of directors focuses its oversight on the most significant risks facing the company and on its processes to identify, prioritize, assess, manage and mitigate those risks. Our board of directors and its committees receive regular reports from members of the company's senior management on areas of material risk to the company, including strategic, operational, financial, legal and regulatory risks. While our board of directors has an oversight role, management is principally tasked with direct responsibility for management and assessment of risks and the implementation of processes and controls to mitigate their effects on the company.

The audit committee, as part of its responsibilities, oversees the company's significant financial and operational risk exposures, including but not limited to accounting matters, liquidity and credit risks, corporate tax positions, insurance coverage, and cash investment strategy and results. The audit committee is also responsible for overseeing the management of risks relating to the performance of the company's internal audit function (if required) and its independent registered accounting firm, as well as the company's systems of internal controls and disclosure controls and procedures. The compensation committee is responsible for overseeing the company's major compensation-related risk exposures, including risks related to executive compensation and overall compensation and benefit strategies, plans, arrangements, practices and policies. The nominating and corporate governance committee oversees the company's major legal compliance risk exposures, including the company's procedures and any related policies with respect to risk assessment and risk management. These committees provide regular reports to the full board of directors.

### **Committees of the Board**

Our board of directors has a standing audit committee, compensation committee and nominating and corporate governance committee. The composition and responsibilities of each committee are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors.

#### ***Audit Committee***

The audit committee is responsible for assisting our board of directors in its oversight of the integrity of our financial statements, the qualifications and independence of our independent auditors, and our internal financial and accounting controls. The audit committee has direct responsibility for the appointment, compensation, retention (including termination) and oversight of our independent auditors, and our independent auditors report directly to the audit committee. The audit committee also prepares the audit committee report that the SEC requires to be included in our annual proxy statement.

The members of the audit committee are Mr. Shea and Drs. Egros and Sledge, and Mr. Shea serves as chair of the audit committee. Each member of the audit committee qualifies as an independent director under the corporate governance standards of the NASDAQ Listing Rules and the independence requirements of Rule 10A-3 of the Exchange Act. Our board of directors has determined that Mr. Shea qualifies as an "audit committee financial expert" as such term is currently defined in Item 407(d)(5) of Regulation S-K. The audit committee has adopted a written charter that satisfies the applicable standards of the SEC and the NASDAQ Listing Rules, which we will post on our website upon completion of this offering.

### ***Compensation Committee***

The compensation committee approves the compensation objectives for the company, approves the compensation of the Chief Executive Officer and approves or recommends to our board of directors for approval the compensation for other executives. The compensation committee reviews all compensation components, including base salary, bonus, benefits and other perquisites.

The members of the compensation committee are Drs. Evnin and Sledge and Mr. Podlesak, and Dr. Evnin serves as chair of the compensation committee. Each member of the compensation committee is a non-employee director within the meaning of Rule 16b-3 of the rules promulgated under the Exchange Act and an outside director as defined by Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, or the Code, and each is an independent director as defined by the NASDAQ Listing Rules, including NASDAQ Listing Rule 5605(d)(2). The compensation committee has adopted a written charter that satisfies the applicable standards of the SEC and the NASDAQ Listing Rules, which we will post on our website upon completion of this offering.

### ***Nominating and Corporate Governance Committee***

The nominating and corporate governance committee is responsible for making recommendations to our board of directors regarding candidates for directorships and the structure and composition of our board and the board committees. In addition, the nominating and corporate governance committee is responsible for developing and recommending to our board corporate governance guidelines applicable to the company and advising our board on corporate governance matters.

The members of the nominating and corporate governance committee are Drs. Evnin, Kamdar and Royston, and Dr. Kamdar serves as chair of the nominating and corporate governance committee. Each member of the nominating and corporate governance committee is a non-employee director within the meaning of Rule 16b-3 of the rules promulgated under the Exchange Act, and each is an independent director as defined by the NASDAQ Listing Rules. The nominating and corporate governance committee has adopted a written charter that satisfies the applicable standards of the NASDAQ Listing Rules, which we will post on our website upon completion of this offering.

### ***Code of Business Conduct and Ethics***

We adopted a code of business conduct and ethics that applies to all of our employees, officers and directors including those officers responsible for financial reporting. Upon completion of this offering, we will post the code of business conduct and ethics on our website. We intend to disclose future amendments to the code or any waivers of its requirements on our website to the extent permitted by the applicable rules and exchange requirements.

### ***Compensation Committee Interlocks and Insider Participation***

None of the members of our compensation committee has ever been an officer or employee of the company. None of our executive officers serves, or has served during the last three years, as a member of our board of directors, compensation committee or other board committee performing equivalent functions of any entity that has one or more executive officers serving as one of our directors or on our compensation committee.



**EXECUTIVE AND DIRECTOR COMPENSATION**

**Executive Compensation**

**Summary Compensation Table**

The following table sets forth information for each of the last two completed fiscal years regarding compensation awarded to or earned by our named executive officers.

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Bonus<sup>(1)</sup> (\$)</u>	<u>Option Awards<sup>(2)</sup> (\$)</u>	<u>Other (\$)</u>	<u>Total (\$)</u>
Briggs W. Morrison, M.D. <sup>(3)</sup> <i>Chief Executive Officer and Director</i>	2015	263,784	109,635	4,259,602	—	4,633,021
Michael A. Metzger <sup>(4)</sup> <i>President and Chief Operating Officer</i>	2015	296,538	50,000	2,550,157	—	2,896,695
Michael L. Meyers, M.D., Ph.D. <sup>(5)</sup>	2015	140,625	—	1,205,972	4,463 <sup>(6)</sup>	1,351,060
Arlene M. Morris <sup>(7)</sup> <i>Former President and Chief Executive Officer</i>	2015	162,231	—	—	656,592 <sup>(8)</sup>	818,823
	2014	424,360	144,282	394,967 <sup>(9)</sup>	—	963,609

- (1) The amounts paid to Dr. Morrison and Mr. Metzger during 2015 reflect signing bonuses paid to each executive at their time of hire. The bonus payments to our executive officers for 2015 have not yet been determined. We expect that they will be determined in the first quarter of 2016. The amount reflected for Ms. Morris for 2014 includes amounts earned in 2014, which were paid during 2015, based on the achievement of company and individual performance goals and other factors deemed relevant by our board of directors and compensation committee. For 2014, the compensation committee determined that Ms. Morris was entitled to approximately 85% of her target bonus.
- (2) Amounts reflect the grant date fair value of option awards determined in accordance with ASC 718. For information regarding assumptions underlying the value of equity awards, see note 12 to our audited consolidated financial statements and the discussion under the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies—Stock-Based Compensation,” included elsewhere in this prospectus. These amounts do not correspond to the actual value the named executive officer may realize upon exercise of these option awards.
- (3) Dr. Morrison joined the company on June 22, 2015.
- (4) Mr. Metzger joined the company on May 5, 2015.
- (5) Dr. Meyers joined the company on August 17, 2015.
- (6) Amount reflects a benefits reimbursement.
- (7) Ms. Morris resigned from the company effective May 12, 2015.
- (8) Amount reflects the severance payment and payout of accrued vacation upon Ms. Morris’ resignation from the company.
- (9) Includes the grant date fair value in the amount of \$272,414 for option grants that were subsequently cancelled and reissued pursuant to an option exchange program that we implemented in 2014.

**Outstanding Equity Awards at Fiscal Year-End**

The following table provides information regarding equity awards held by the named executive officers that were outstanding as of December 31, 2015.

<u>Name</u>	<u>Option Awards</u>		<u>Option Exercise Price (\$/Sh)</u>	<u>Option Expiration Date</u>
	<u>Number of Securities Underlying Unexercised Options Exercisable (#)</u>	<u>Number of Securities Underlying Unexercised Options Unexercisable (#)</u>		
Briggs W. Morrison, M.D.	327,723 <sup>(1)</sup>	—	8.72	9/9/2025
	685,280 <sup>(1)</sup>	—	5.76	6/30/2025

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Name	Option Awards			
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$/Sh)	Option Expiration Date
Michael A. Metzger	196,634 <sup>(2)</sup>	—	8.72	9/9/2025
	411,168 <sup>(2)</sup>	—	5.76	6/1/2025
Michael L. Meyers, M.D., Ph.D.	65,501 <sup>(3)</sup>	—	8.72	9/9/2025
	137,100 <sup>(3)</sup>	—	5.76	8/18/2025
Arlene M. Morris	32,084 <sup>(4)</sup>	—	5.08	12/18/2024
	68,253 <sup>(4)</sup>	—	5.05	9/15/2024
	285,357 <sup>(4)</sup>	—	2.46	5/9/2023

- (1) 37.5% of this option will vest upon the earlier of (i) June 22, 2016, the one year anniversary of the vesting commencement date, and (ii) the completion of this offering. Thereafter, the remainder will vest in equal monthly installments on the last day of each month over a three-year period of continuous service. This option is immediately exercisable. Shares of common stock issued upon exercise of an unvested option that has been “early exercised” are subject to the company’s right of repurchase within 90 days of termination of employment.
- (2) 37.5% of this option will vest upon the earlier of (i) May 5, 2016, the one year anniversary of the vesting commencement date, and (ii) the completion of this offering. Thereafter, the remainder will vest in equal monthly installments on the last day of each month over a three-year period of continuous service. This option is immediately exercisable. Shares of common stock issued upon exercise of an unvested option that has been “early exercised” are subject to the company’s right of repurchase within 90 days of termination of employment.
- (3) 25% of this option will vest on August 17, 2016, the one year anniversary of the vesting commencement date. Thereafter, the remainder will vest in equal monthly installments on the last day of each month over a three-year period of continuous service. This option is immediately exercisable. Shares of common stock issued upon exercise of an unvested option that has been “early exercised” are subject to the company’s right of repurchase within 90 days of termination of employment.
- (4) In accordance with our general release and post-separation consulting agreement with Ms. Morris, all of her options fully vested as of May 14, 2015. The outstanding options expire on January 14, 2017.

### **Employment Agreements**

Below are descriptions of our offer letters and severance arrangements with our former executive officers as well as new employment agreements with certain of our current executive officers.

#### **Current Executive Officers**

**Briggs W. Morrison, M.D.** We entered into a new employment agreement with Briggs W. Morrison, M.D. that becomes effective on the date of effectiveness of the registration statement of which this prospectus is a part. Dr. Morrison’s employment agreement provides for his at-will employment as our Chief Executive Officer. Dr. Morrison’s annual base salary is \$501,000, which may be increased from time to time based on the review by our compensation committee. Upon the completion of this offering, Dr. Morrison’s annual base salary will be increased to \$531,000. Dr. Morrison’s employment agreement further provides that he is eligible to earn an annual target performance bonus of up to 40% of his annual base salary upon attainment of objectives to be determined by our board of directors or our compensation committee, which bonus for the 2015 calendar year, if applicable, will be pro-rated based on Dr. Morrison’s start date with us. Upon the completion of this offering, Dr. Morrison will be eligible to receive a one-time bonus equal to \$100,000.

Pursuant to his employment agreement, Dr. Morrison also is entitled to reimbursement for all necessary and reasonable business expenses incurred in connection with his duties in accordance with our generally applicable policies. Additionally, we have agreed to reimburse, or pay for, all reasonable

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expenses incurred by Dr. Morrison in connection with commuting between our Waltham office and his current principal residence, including Dr. Morrison's actual and reasonable living expenses incurred in the Waltham area and his current principal residence. If Dr. Morrison decides to relocate his residence to Waltham, we have agreed to pay Dr. Morrison for ordinary and necessary expenses incurred by him as a result of his relocation.

Dr. Morrison's employment agreement further provides that in the event his employment is terminated without "cause," as defined in his employment agreement, or he terminates his employment for "good reason," as defined in his employment agreement, he is entitled to (i) a lump sum severance payment equal to 12 months base salary, (ii) a portion of his annual target performance bonus in effect as of the termination based on the number of days Dr. Morrison was employed in the year of termination, (iii) payment on his behalf of up to 18 months of health insurance benefits continuation, (iv) with respect to equity awards granted to Dr. Morrison prior to the date of his termination, accelerated vesting and the lapse of any reacquisition or repurchase rights we hold with respect to such equity awards for the portion of such equity awards that would have otherwise vested within the 12-month period following the date of Dr. Morrison's termination of employment without cause or for good reason were he to remain employed with us during such 12-month period and (v) an extension on the time period during which Dr. Morrison has to exercise any options that are held by him on the date of his termination of employment to the shorter of (A) 12 months or (B) the remaining term of the option. If Dr. Morrison's employment is terminated without cause or he terminates his employment for good reason within three months prior to or 12 months after a "change in control," as defined in his employment agreement, he is instead entitled to (a) a lump sum severance payment equal to the sum of 12 months base salary and 100% of the greater of (1) the average annual target performance bonus paid to him for the preceding three years or (2) his annual target performance bonus in effect as of the change in control, (b) payment on his behalf of up to 18 months of health insurance benefits continuation and (c) full accelerated vesting on all of his unvested options and the lapse of any reacquisition or repurchase rights we hold with respect to any other equity award granted to him pursuant to any of our equity incentive plans and (d) an extension on the time period during which Dr. Morrison has to exercise any options that are held by him on the date of his termination of employment to the shorter of (A) 12 months or (B) the remaining term of the option. In order to receive his severance benefits, Dr. Morrison must sign a general release of claims. Dr. Morrison's employment agreement further provides that upon a "change in control," as defined in his employment agreement, with an aggregate purchase price of at least \$640 million, Dr. Morrison will be eligible to receive an additional one-time bonus equal to his then current annual base salary.

In addition, Dr. Morrison's employment agreement provides that in the event the severance and other benefits provided for or otherwise payable to Dr. Morrison constitute "parachute payments" within the meaning of Section 280G of the Code and are subject to the excise tax imposed by Section 4999 of the Code, we will pay either (i) Dr. Morrison's severance benefits under the employment agreement in full or (ii) only a part of Dr. Morrison's severance benefits under the employment agreement such that Dr. Morrison receives the largest payment possible without the imposition of the excise tax, in each case, depending upon which alternative would result in Dr. Morrison receiving the greater net after-tax payment.

**Michael A. Metzger.** We entered into a new employment agreement Michael A. Metzger that becomes effective on the date of effectiveness of the registration statement of which this prospectus is a part. Mr. Metzger's employment agreement provides for his at-will employment as our President and Chief Operating Officer. Mr. Metzger's annual base salary is \$450,000, which may be increased from time to time based on the review by our compensation committee. Upon the completion of this

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offering, Mr. Metzger's annual base salary will be increased to \$475,000. Mr. Metzger's employment agreement further provides that he is eligible to earn an annual target performance bonus of up to 40% of his annual base salary upon attainment of objectives to be determined by our board of directors or our compensation committee, which bonus for the 2015 calendar year, if applicable, will be pro-rated based on Mr. Metzger's start date with us. Upon the completion of this offering, Mr. Metzger will be eligible to receive a one-time bonus equal to \$40,000.

Pursuant to his employment agreement, Mr. Metzger also is entitled to reimbursement for all necessary and reasonable business expenses incurred in connection with his duties in accordance with our generally applicable policies. Additionally, we have agreed to reimburse, or pay for, all reasonable expenses incurred by Mr. Metzger in connection with commuting between our Waltham office and his current principal residence, including Mr. Metzger's actual and reasonable living expenses incurred in the Waltham area and his current principal residence. If Mr. Metzger decides to relocate his residence to Waltham, we have agreed to pay Mr. Metzger up to \$50,000 for ordinary and necessary expenses incurred by him as a result of his relocation.

Mr. Metzger's employment agreement further provides that in the event his employment is terminated without "cause," as defined in his employment agreement, or he terminates his employment for "good reason," as defined in his employment agreement, he is entitled to (i) a lump sum severance payment equal to 12 months base salary, (ii) a portion of his annual target performance bonus in effect as of the termination based on the number of days Mr. Metzger was employed in the year of termination, (iii) payment on his behalf of up to 18 months of health insurance benefits continuation, (iv) with respect to equity awards granted to Mr. Metzger prior to the date of his termination, accelerated vesting and the lapse of any reacquisition or repurchase rights we hold with respect to such equity awards for the portion of such equity awards that would have otherwise vested within the 12-month period following the date of Mr. Metzger's termination of employment without cause or for good reason were he to remain employed with us during such 12-month period and (v) an extension on the time period during which Mr. Metzger has to exercise any options that are held by him on the date of his termination of employment to the shorter of (A) 12 months or (B) the remaining term of the option. If Mr. Metzger's employment is terminated without cause or he terminates his employment for good reason within three months prior to or 12 months after a "change in control," as defined in his employment agreement, he is instead entitled to (a) a lump sum severance payment equal to the sum of 12 months base salary and 100% of the greater of (1) the average annual target performance bonus paid to him for the preceding three years or (2) his annual target performance bonus in effect as of the change in control, (b) payment on his behalf of up to 18 months of health insurance benefits continuation and (c) full accelerated vesting on all of his unvested options and the lapse of any reacquisition or repurchase rights we hold with respect to any other equity award granted to him pursuant to any of our equity incentive plans and (d) an extension on the time period during which Mr. Metzger has to exercise any options that are held by him on the date of his termination of employment to the shorter of (A) 12 months or (B) the remaining term of the option. In order to receive his severance benefits, Mr. Metzger must sign a general release of claims. Mr. Metzger's employment agreement further provides that upon a "change in control," as defined in his employment agreement, with an aggregate purchase price of at least \$640 million, Mr. Metzger will be eligible to receive an additional one-time bonus equal to his then current annual base salary.

In addition, Mr. Metzger employment agreement provides that in the event the severance and other benefits provided for or otherwise payable to Mr. Metzger constitute "parachute payments" within the meaning of Section 280G of the Code and are subject to the excise tax imposed by Section 4999 of the Code, we will pay either (i) Mr. Metzger's severance benefits under the

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employment agreement in full or (ii) only a part of Mr. Metzger's severance benefits under the employment agreement such that Mr. Metzger receives the largest payment possible without the imposition of the excise tax, in each case, depending upon which alternative would result in Mr. Metzger receiving the greater net after-tax payment.

**Michael L. Meyers, M.D., Ph.D.** We entered into a new employment agreement with Michael L. Meyers M.D., Ph.D. that becomes effective on the date of effectiveness of the registration statement of which this prospectus is a part. Dr. Meyers' employment agreement provides for his at-will employment as our Senior Vice President, Chief Development Officer. Pursuant to Dr. Meyers' employment agreement, Dr. Meyers' annual base salary is \$375,000, and may be increased from time to time based on the review of our compensation committee. Dr. Meyers' employment agreement further provides that he is eligible to earn an annual target performance bonus of up to 35% of his annual base salary upon attainment of objectives to be determined by our board of directors or our compensation committee, which bonus for the 2015 calendar year, if applicable, will be pro-rated based on Dr. Meyers' start date with us. Dr. Meyers also is entitled to reimbursement for all necessary and reasonable business expenses incurred in connection with his duties in accordance with our generally applicable policies.

Dr. Meyers' employment agreement further provides that in the event his employment is terminated without "cause," as defined in his employment agreement, or he terminates his employment for "good reason," as defined in his employment agreement, he is entitled to (i) a lump sum severance payment equal to six months base salary and (ii) payment on his behalf of up to 12 months of health insurance benefits continuation. If Dr. Meyers' employment is terminated without cause or he terminates his employment for good reason within three months prior to or 12 months after a "change in control" of us, as defined in his employment agreement, he is instead entitled to (a) a lump sum severance payment equal to the sum of 12 months base salary and 100% of the greater of (1) the average annual target performance bonus paid to him for the preceding three years or (2) his annual target performance bonus in effect as of the change in control, (b) payment on his behalf of up to 12 months of health insurance benefits continuation and (c) full accelerated vesting on all of his unvested options and the lapse of any reacquisition or repurchase rights we hold with respect to any other equity award granted to him pursuant to any of our equity incentive plans. In order to receive his severance benefits, Dr. Meyers must sign a general release of claims.

In addition, Dr. Meyers' employment agreement provides that in the event the severance and other benefits provided for or otherwise payable to Dr. Meyers' constitute "parachute payments" within the meaning of Section 280G of the Code and are subject to the excise tax imposed by Section 4999 of the Code, we will pay either (i) Dr. Meyers' severance benefits under the employment agreement in full or (ii) only a part of Dr. Meyers' severance benefits under the employment agreement such that Dr. Meyers receives the largest payment possible without the imposition of the excise tax, in each case, depending upon which alternative would result in Dr. Meyers receiving the greater net after-tax payment.

### ***Former Chief Executive Officer***

**Arlene M. Morris.** We entered into an offer letter with Arlene M. Morris, our former President and Chief Executive Officer, in May 2012, which governed the terms of her at-will employment with us prior to her resignation in May 2015. Pursuant to the offer letter, Ms. Morris was entitled to an annual base salary of \$400,000, which increased to \$424,360 in 2014, and was eligible to receive an annual target performance bonus of up to 40% of her annual base salary upon attainment of objectives to be determined by our board of directors. Ms. Morris was entitled to reimbursement for all necessary

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and reasonable business expenses incurred in connection with her duties in accordance with our generally applicable policies. Additionally, we agreed to reimburse, or pay for, all reasonable expenses incurred by Ms. Morris in connection with commuting between our Waltham office and her current principal residence, including Ms. Morris's actual and reasonable living expenses incurred in the Boston area and her actual and reasonable commuting expenses incurred between Waltham and her current principal residence, up to a maximum of \$10,000 per month.

In connection with her resignation in May 2015, Ms. Morris entered into a general release and post-separation consulting agreement in May 2015. Pursuant to Ms. Morris' general release and post-separation consulting agreement and in consideration of providing us with consulting services through July 13, 2015, Ms. Morris received a consulting fee of approximately \$36,425 per month for two months. Additionally, pursuant to Ms. Morris' separation agreement and post-separation consulting agreement (a) Ms. Morris received a lump sum payment equal to \$437,090, which was an amount equal to 12 months of Ms. Morris' monthly base salary on the date of her termination, 60 days after her termination date, (b) Ms. Morris is entitled to receive a payment on her behalf of up to 12 months of health insurance benefits continuation, (c) all unvested options held by Ms. Morris on her termination date fully vested and Ms. Morris has the right to exercise such options until and including January 13, 2017, (d) Ms. Morris received a lump sum bonus of \$100,000 as a result of the closing of the Series C-1 financing, which was determined at the discretion of our board of directors and (e) if this offering is completed on or prior to December 31, 2015, Ms. Morris will receive a lump sum bonus of \$75,000 after the completion of this offering. Ms. Morris also received \$5,038 reimbursement of her legal fees incurred in connection with the negotiation of her separation agreement and post-separation consulting agreement.

### ***Other Benefits***

Our named executive officers are eligible to participate in all of our employee benefit plans, such as medical, dental, vision, group life, short and long-term disability and our 401(k) plan, in each case on the same basis as other employees, subject to applicable laws. We also provide vacation and other paid holidays to all employees, including our named executive officers. We believe these benefits are important to attracting and retaining experienced executives. Like many private companies, we do not currently provide perquisites to our executive officers, given our attention to the cost-benefit tradeoff of such benefits, and our board of directors' knowledge of the benefit offerings at other private companies.

### ***Tax and Accounting Considerations***

Section 162(m) of the Code generally disallows a tax deduction for compensation in excess of \$1.0 million paid to our Chief Executive Officer and our three other most highly paid executive officers other than our principal financial officer. Qualifying performance-based compensation is not subject to the deduction limitation if specified requirements are met. We generally intend to structure the performance-based portion of our executive compensation, when feasible, to comply with exemptions in Section 162(m) so that the compensation remains tax deductible to us. However, our board of directors may, in its judgment, authorize compensation payments that do not comply with the exemptions in Section 162(m) when it believes that such payments are appropriate to attract and retain executive talent.

Our compensation committee also takes into account whether components of our compensation program may be subject to the penalty tax associated with Section 409A of the Code, and aims to structure the elements of compensation to be compliant with or exempt from Section 409A to avoid such potential adverse tax consequences.

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In addition, we account for equity compensation paid to our employees in accordance with ASC 718, which requires us to estimate and record an expense over the service period of the award. We record cash compensation as an expense at the time the obligation is accrued. The accounting impact of our compensation programs is one of many factors that we consider in determining the size and structure of our programs.

### **Equity Benefit Plans**

#### ***2015 Omnibus Incentive Plan***

Our board of directors adopted the 2015 Plan in September 2015, and our stockholders approved the 2015 Plan in 2016. The 2015 Plan will become effective upon completion of this offering. We believe adoption and maintenance of the 2015 Plan will help us attract and retain executive officers, other employees and service providers, as well as our non-employee directors. We believe that awarding grants to our executive officers and others will stimulate their efforts toward our continued success, long-term growth and profitability. The 2015 Plan will provide for the grant of stock options, stock appreciation rights, restricted stock, unrestricted stock, stock units, dividend equivalent rights, performance awards, annual incentive awards and other equity-based awards. We will reserve \_\_\_\_\_ shares of common stock (which includes 461,870 shares reserved for issuance under our 2007 Plan as of September 30, 2015) for issuance pursuant to the 2015 Plan, subject to certain adjustments set forth in the 2015 Plan. Any shares of common stock related to awards outstanding under the 2007 Plan upon completion of this offering, which thereafter terminate by expiration, forfeiture, cancellation or otherwise without the issuance of such shares will be added to, and included in, the 2015 Plan reserve amount. In addition, effective January 1, 2017 and continuing until the expiration of the 2015 Plan, the number of shares of common stock available for issuance under the 2015 Plan will automatically increase annually by an amount equal to the lesser of (i) 4% of the total number of issued and outstanding shares of our common stock as of December 31 of the immediately preceding year and (ii) the number of shares (which may be zero) as determined in the discretion of our board of directors by action taken prior to the beginning of that calendar year. A maximum of \_\_\_\_\_ shares of common stock reserved for issuance under the 2015 Plan will be available for issuance as incentive stock options. This summary is qualified in its entirety by the detailed provisions of the 2015 Plan, which is filed as an exhibit to the registration statement of which this prospectus is a part.

Section 162(m) of the Code limits publicly held companies to an annual deduction for U.S. federal income tax purposes of \$1,000,000 for compensation paid to each of their Chief Executive Officer and their three highest compensated executive officers (other than the Chief Executive Officer and the principal financial officer) determined at the end of each year, who are referred to as covered employees. However, certain performance-based compensation is excluded from this limitation. The 2015 Plan is designed to permit the compensation committee to grant awards that qualify as performance-based compensation for purposes of satisfying the conditions of Section 162(m) of the Code, but the 2015 Plan does not require that awards qualify for this exemption.

#### ***Administration of the 2015 Plan***

Our compensation committee will administer the 2015 Plan and determine all terms of awards under the 2015 Plan. Each member of our compensation committee who administers the 2015 Plan will be both a “non-employee director” within the meaning of Rule 16b-3 of the Exchange Act, and an “outside director” within the meaning of Section 162(m) of the Code. Our compensation committee

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will also determine who will receive awards under the 2015 Plan, the type of award and its terms and conditions and the number of shares of our common stock subject to the award, if the award is equity-based. Our compensation committee will also interpret the provisions of the 2015 Plan. During any period of time in which we do not have a compensation committee, our board of directors or another committee appointed by our board of directors will administer the 2015 Plan. References below to the compensation committee include a reference to the board of directors or another committee appointed by the board of directors for those periods in which the board of directors or such other committee appointed by the board of directors is acting.

### ***Eligibility***

All of our employees and the employees of our affiliates will be eligible to receive awards under the 2015 Plan. In addition, our non-employee directors and consultants and advisors who perform services for us and our affiliates may receive awards under the 2015 Plan, other than incentive stock options.

### ***Share Authorization***

We reserved \_\_\_\_\_ shares of common stock for issuance under the 2015 Plan, which includes all shares of common stock that remain available for issuance under the 2007 Plan as of the completion of this offering. In connection with stock splits, dividends, recapitalizations and certain other events, our board of directors will make proportionate adjustments that it deems appropriate in the aggregate number of shares of common stock that we may issue under the 2015 Plan and the terms of outstanding awards. If any shares of stock covered by an award granted under the 2015 Plan or the 2007 Plan are not purchased or are forfeited or expire, or if an award otherwise terminates without delivery of any shares of stock subject thereto, or is settled in cash in lieu of shares of stock, then the number of shares of stock counted against the aggregate number of shares of stock available under the 2015 Plan with respect to such award will again be available for making awards under the 2015 Plan.

During any time that the transition period under Section 162(m) of the Code has expired or does not apply, the maximum number of shares of common stock subject to options or stock appreciation rights that we will be able to issue under the 2015 Plan to any person will be \_\_\_\_\_ in any single calendar year. The maximum number of shares of common stock that we will be able to issue under the 2015 Plan to any person other than pursuant to an option or stock appreciation right will be \_\_\_\_\_ in any single calendar year. The maximum amount that any one person may earn as a cash-denominated annual incentive award in any calendar year in respect of a performance period of 12 months or less will be \$1,000,000 and the maximum amount that any one person may earn as a cash-denominated performance award in respect of a performance period greater than 12 months will be \$3,000,000.

### ***Options***

The 2015 Plan will authorize our compensation committee to grant incentive stock options (under Section 421 of the Code) and options that do not qualify as incentive stock options, or non-qualified stock options. Our compensation committee will determine the exercise price of each option, provided that the price will be equal to at least the fair market value of the shares of common stock on the date on which the option is granted. If we were to grant incentive stock options to any 10% stockholder, the exercise price may not be less than 110% of the fair market value of our shares of common stock on the date of grant.

The term of an option cannot exceed 10 years from the date of grant. If we were to grant incentive stock options to any 10% stockholder, the term cannot exceed five years from the date of grant. The



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compensation committee will determine at what time or times each option may be exercised and the period of time, if any, after retirement, death, disability or termination of employment during which options may be exercised. Options may be made exercisable in installments. The compensation committee may accelerate the exercisability of options. Except in connection with a corporate transaction involving us, our compensation committee may not, without stockholder approval, reduce the exercise price of an option after the grant of the option, cancel an outstanding option in exchange for or substitution of a new option having an exercise price below that of the option that was surrendered, or cancel an outstanding option with an exercise price above the current share price in exchange for cash or other securities.

The aggregate fair market value, determined at the time of grant, of our common stock with respect to incentive stock options that are exercisable for the first time by an optionee during any calendar year under all of our stock plans may not exceed \$100,000. We will generally treat options or portions thereof that exceed such limit as non-qualified stock options.

### ***Stock Appreciation Rights***

The 2015 Plan will authorize our compensation committee to grant stock appreciation rights that provide the recipient with the right to receive, upon exercise of the stock appreciation right, cash, shares of common stock or a combination of the two. The amount that the recipient will receive upon exercise of the stock appreciation right generally will equal the excess of the fair market value of our common stock on the date of exercise over the shares' fair market value on the date of grant. Stock appreciation rights will become exercisable in accordance with terms determined by our compensation committee. Stock appreciation rights may be granted in tandem with an option grant or independently from an option grant. The term of a stock appreciation right cannot exceed 10 years from the date of grant.

### ***Stock Awards***

The 2015 Plan will also provide for the grant of stock awards (which includes restricted stock and unrestricted stock). A stock award is an award of shares of common stock that may be subject to restrictions on transferability and other restrictions as our compensation committee determines in its sole discretion on the date of grant. The restrictions, if any, may lapse over a specified period of time or through the satisfaction of conditions, in installments or otherwise, as our compensation committee may determine. A participant who receives a restricted stock award will have all of the rights of a stockholder as to those shares, including the right to vote and the right to receive dividends or distributions on the shares, except that the board of directors may require any dividends to be reinvested in shares. During the period, if any, when stock awards are non-transferable or forfeitable, a participant is prohibited from selling, transferring, assigning, pledging or otherwise encumbering or disposing of his or her award shares.

### ***Stock Units***

The 2015 Plan also authorizes our compensation committee to grant stock units. Stock units represent the participant's right to receive a compensation amount, based on the value of the shares of common stock, if vesting criteria established by the compensation committee are met. If the vesting criteria are met, we will pay stock units in cash, shares of common stock or a combination of the two.

### ***Annual Incentive Awards***

Under the 2015 Plan, we may provide for performance-based bonuses payable in cash upon the attainment of performance goals that the compensation committee establishes related to one or more performance criteria described in the 2015 Plan over a performance period of up to one year. Like other performance-based awards, cash performance bonuses, for which there is no minimum payout, must be based upon objectively determinable bonus formulas established in accordance with the 2015 Plan, as determined by our compensation committee.

### ***Dividend Equivalent Rights***

Our compensation committee may grant dividend equivalent rights in connection with the grant of any equity-based award other than options and appreciation rights. Dividend equivalent rights may be paid currently or may be deemed to be reinvested in additional shares of stock, which may thereafter accrue additional dividend equivalent rights, and may be payable in cash, shares of common stock or a combination of the two. Our compensation committee will determine the terms of any dividend equivalent rights.

### ***Performance Awards***

The 2015 Plan will permit the grant of performance-based stock and cash awards that may qualify as performance-based compensation not subject to the \$1,000,000 limitation on the income tax deductibility of compensation paid to a covered employee imposed by Section 162(m) of the Code. Under the 2015 Plan, our compensation committee may structure such awards so that stock is issued or cash is paid pursuant to such award only upon achievement of the performance goals set by our compensation committee at the beginning of the designated performance period which may be up to 10 years.

We may select performance goals based on one or more of the following measures: (1) net earnings or net income; (2) operating earnings; (3) pretax earnings; (4) earnings per share of stock; (5) stock price, including growth measures and total stockholder return; (6) earnings before interest and taxes; (7) earnings before interest, taxes, depreciation and/or amortization; (8) earnings before interest, taxes, depreciation and/or amortization as adjusted to exclude any one or more of the following: (i) stock-based compensation expense; (ii) income from discontinued operations; (iii) gain on cancellation of debt; (iv) debt extinguishment and related costs; (v) restructuring, separation, and/or integration charges and costs; (vi) reorganization and/or recapitalization charges and costs; (vii) impairment charges; (viii) merger-related events; (ix) gain or loss related to investments; (x) sales and use tax settlements; and (xi) gain on non-monetary transactions; (9) sales or revenue growth, whether in general, by type of product or service, or by type of customer; (10) gross or operating margins; (11) return measures, including return on assets, capital, investment, equity, sales or revenue; (12) cash flow, including operating cash flow, free cash flow, cash flow return on equity and cash flow return on investment; (13) productivity ratios; (14) expense targets; (15) market share; (16) financial ratios as provided in credit agreements of the company and its subsidiaries; (17) working capital targets; (18) completion of acquisitions of business or companies; (19) completion of divestitures and asset sales; (20) revenues under management; (21) funds from operations; (22) successful implementation of clinical trials, including components thereof; (23) submitting regulatory filings; (24) obtaining regulatory or marketing approvals; (25) entering into contractual agreements; (26) meeting contractual requirements; (27) achieving contractual milestones; (28) entering into collaborations; (29) receipt of grant funding; (30) developing or expanding manufacturing or production capacity; and (31) any combination of any of the foregoing business criteria.

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We may base performance goals on a company-wide basis, with respect to one or more business units, divisions, affiliates or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. We may not adjust upward any awards that we intend to qualify as performance-based compensation under Section 162(m) of the Code. The plan administrator will retain the discretion to adjust performance-based awards downward, either on a formula or discretionary basis, or any combination as the compensation committee determines. Performance goals may differ from participant to participant and from award to award.

### ***Other Equity-Based Awards***

Our compensation committee may grant other types of equity-based awards under the 2015 Plan. Other equity-based awards may be payable in cash, shares of common stock or other equity, or a combination thereof, and may be restricted or unrestricted, as determined by our compensation committee. The terms and conditions that apply to other equity-based awards are determined by the compensation committee.

### ***Change in Control***

If we experience a change in control (as defined in the 2015 Plan) in which outstanding equity-based awards will not be assumed or continued by the surviving entity, unless otherwise provided in an award agreement, all restricted shares, stock units and dividend equivalent rights will vest, and the underlying shares will be delivered immediately before the change in control. In addition, all options and stock appreciation rights will become exercisable 15 days before the change in control and terminate upon the consummation of the change in control, and/or, in the discretion of our board of directors, all options, stock appreciation rights, restricted shares, stock units and dividend equivalent rights may be canceled before the change in control in exchange for payment of any amount in cash or securities having a value (as determined by our board of directors), in the case of restricted shares, stock units and dividend equivalent rights equal to the formula or fixed price per share paid to our stockholders and, in the case of options and stock appreciation rights equal to the product of the number of shares subject to the options or stock appreciation rights multiplied by the amount by which the formula or fixed price paid to our stockholders exceeds the exercise price of each option or the stock appreciation right. In the case of performance awards denominated in shares or units, if more than half of the performance period has lapsed, the awards will be converted into shares or units based upon actual performance achieved to date. If less than half of the performance period has lapsed, or if we cannot determine actual performance, the awards will be converted into shares or units assuming target performance has been achieved.

### ***Amendment; Termination***

Our board of directors may amend, suspend or terminate the 2015 Plan at any time; provided that no amendment, suspension or termination may adversely impair the rights of participants or obligations of ours under outstanding awards. Our stockholders must approve any amendment if such approval is required under applicable law or NASDAQ Listing Rules. Unless terminated sooner by our board of directors or extended with stockholder approval, the 2015 Plan will terminate on the 10th anniversary of the date of the completion of this offering.

## **2007 Stock Plan**

### ***General***

In January 2007, our board of directors and our stockholders adopted the 2007 Plan. The 2007 Plan was most recently amended by our board of directors on August 18, 2015, which amendment was approved by our stockholders on August 20, 2015. Our board of directors administers the 2007 Plan. Our board of directors has determined not to grant any additional awards under the 2007 Plan after the completion of this offering. However, the 2007 Plan will continue to govern the terms and conditions of the outstanding awards granted under the 2007 Plan which, as of September 30, 2015, constitute stock options to purchase 3,236,470 shares of our common stock.

### ***Share Reserve***

As of September 30, 2015, a total of 3,754,270 shares of our common stock had been authorized for issuance under the 2007 Plan. As of September 30, 2015, options to purchase a total of 3,236,470 shares of our common stock were issued and outstanding, a total of 55,930 shares of our common stock had been issued upon the exercise of options or pursuant to other awards granted under the 2007 Plan, and 461,870 shares remained available for future grant. Such remaining share balance will become available for issuance under the 2015 Plan upon completion of this offering.

### ***Types of Awards***

The 2007 Plan provides for the grant of incentive stock options, non-statutory stock options and stock purchase rights to our employees, directors and consultants. Our 2007 Plan provides for the grant of incentive stock options, within the meaning of Section 422 of the Code, only to our employees or any of our “parent corporations” or “subsidiary corporations” (as such terms are defined in Sections 424(e) and (f) of the Code). Our board of directors has the authority to determine the terms and conditions of the awards granted under the 2007 Plan.

The 2007 Plan does not allow for the transfer of option awards or stock purchase rights other than by will or the laws of descent and distribution, and only the recipient of an award or a permitted transferee may exercise such award during his or her lifetime. Our board of directors, however, may in its discretion grant non-statutory stock options that may be transferred by instrument to an inter vivos or testamentary trust, or by gift or to an immediate family member.

### ***Corporate Transaction***

The 2007 Plan provides that in the event of our merger with or into another corporation, or a sale of all or substantially all of our assets, the successor corporation or its parent or subsidiary may assume or substitute for each outstanding award. If the outstanding awards are not assumed or substituted, such awards will terminate upon the consummation of the transaction.

## **2015 Employee Stock Purchase Plan**

Our board of directors adopted the ESPP in September 2015, and our stockholders approved the ESPP in 2016. The ESPP will become effective upon completion of this offering. The purpose of the ESPP is to enable our eligible employees, through payroll deductions or cash contributions, to purchase shares of our common stock, to increase our employees’ interest in our growth and success and encourage employees to remain in our employment.

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We reserved \_\_\_\_\_ shares of common stock for purchase by our eligible employees. In addition, effective January 1, 2017 and continuing until the expiration of the ESPP, the number of shares of common stock available for purchase by our eligible employees under the ESPP will automatically increase annually on January 1, in an amount equal to the lesser of (i) 1% of the total number of issued and outstanding shares of our common stock as of December 31 of the immediately preceding year, or (ii) 250,000 shares of our common stock, except that our board of directors may act prior to January 1 of any calendar year to provide for an increase of a lesser number of shares (which may be zero). In the event there is any change in the number of outstanding shares of our common stock, or the shares of common stock are changed into or exchanged for a different number or type of shares without receipt of consideration by us (for instance, by a recapitalization or stock split), we will proportionately adjust the number or type of shares that the eligible employees may purchase under the ESPP. The shares of common stock issuable under the ESPP may, in the discretion of our board of directors, be authorized but unissued shares, treasury shares or shares purchased on the open market. This summary is qualified in its entirety by the detailed provisions of the ESPP, which is filed as an exhibit to the registration statement of which this prospectus is a part.

### ***Offering Periods and Optional Purchase Periods***

Our compensation committee will determine the length and duration of the periods during which payroll deductions or other cash payments will accumulate to purchase shares of common stock, which period will not exceed 27 months. Each of these periods is known as an offering period.

Our compensation committee may, but is not required to, permit periodic purchases of common stock within a single offering period. The periods during which payroll deductions or other cash payments will accumulate for these purchases are referred to as purchase periods. We expect that each offering period will consist of a single purchase period for six months. No offering periods have been approved at this time.

### ***Administration of the ESPP***

Our compensation committee will administer the ESPP. Each member of our compensation committee that administers the ESPP will be both a “non-employee director” within the meaning of Rule 16b-3 of the Exchange Act and an “outside director” within the meaning of Section 162(m) of the Code. Our compensation committee will also interpret the provisions of the ESPP, prescribe, amend and rescind rules relating to it, and make all other determinations necessary or advisable in administering the ESPP, all of which determinations will be final and binding. During any period of time in which we do not have a compensation committee, another committee appointed by our board of directors will administer the ESPP. References to our compensation committee include a reference to any other committee appointed by our board of directors for those periods in which such other committee appointed by our board of directors is acting.

### ***Eligibility***

Any of our employees may participate in the ESPP, except: (i) an employee whose customary employment is less than 20 hours per week; and (ii) an employee who, after exercising his or her rights to purchase common stock under the ESPP, would own (directly or by attribution pursuant to Section 424(d) of the Code) shares of common stock (including shares that may be acquired under any outstanding options) representing 5% or more of the total combined voting power of all classes of our capital stock. An employee must be employed, as determined under the ESPP and applicable guidance, on the last trading day of the purchase period, or a purchase date, to acquire common stock under the ESPP, unless the employee has died prior to such time.

***Participation Election***

An eligible employee may participate in the ESPP by completing and submitting to us an enrollment form to participate. Such enrollment will authorize us to make payroll deductions on each pay day following enrollment in the ESPP, or if authorized by our compensation committee, participating employees may provide other cash contributions. Our compensation committee will credit the deductions or contributions to the employee's account under the ESPP. Subject to certain exceptions, an employee may not during any offering period change his or her percentage of payroll deduction or contribution for that offering period, nor may an employee withdraw any contributed funds. A participating employee may decrease his or her rate of contribution once during a purchase period (but not below \$10 per pay period), or change his or her rate of contribution to take effect on the first day of the next offering period, by delivering to us a new enrollment form to participate in the ESPP. To the extent expressly permitted by our compensation committee, as determined in its sole discretion, for an offering period, a participating employee may increase the rate of his or her contribution once during the offering period. A participating employee may terminate payroll deductions or contributions at any time prior to a purchase date.

***Purchase Price***

Rights to purchase shares of our common stock will be deemed granted to participating employees as of the first trading day of each offering period. Our compensation committee will determine the purchase price for each share, or the purchase price. The purchase price for an offering period may not be less than 85% of the fair market value of our common stock on the first trading day of the offering period or the purchase date, whichever is lower, and in no event may the purchase price be less than the par value of our common stock.

***Purchase Limit***

No employee may purchase shares of our common stock in any offering period or in any calendar year under the ESPP and all other "employee stock purchase plans" of the company having an aggregate fair market value in excess of \$25,000, determined as of the first trading date of the offering period. In addition, no employee may purchase more than \_\_\_\_\_ shares of common stock in any one offering period; provided that, prior to the start of an offering period, our compensation committee, in its discretion, may impose a different limit on the number or value of shares of common stock an employee may purchase during the offering period. We expect that participating employees will be able to contribute between 1% and 15% of their eligible earnings during an offering period.

***Purchase of Common Stock***

On each purchase date, a participating employee will be credited with the number of whole shares of common stock purchased under the ESPP during such purchase period. Shares of common stock purchased under the ESPP will be held in the custody of an agent designated by our board of directors. The agent may hold such shares in stock certificates by book entry or in nominee names and may commingle shares held in its custody in a single account or in stock certificates without identification as to individual participating employees. Subject to any additional restrictions imposed by our compensation committee, in its discretion, a participating employee may, at any time following his or her purchase of shares of common stock under the ESPP, instruct the agent to have all or part of such shares reissued in the employee's own name and have the stock certificate delivered to the employee. Our compensation committee may impose a holding period requirement of up to two years from the date participating employees purchase shares of common stock under the ESPP.

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If in any purchase period the number of unsold shares that may be made available for purchase under the ESPP is insufficient to permit eligible employees to exercise their rights to purchase shares, our compensation committee will make a participation adjustment and proportionately reduce the number of shares purchasable by all participating employees. Our compensation committee will refund to a participating employee any funds then remaining in his or her account after such exercise.

### ***Authorized Leave of Absence or Disability***

Our compensation committee may suspend payroll deductions for a participating employee who remains an eligible employee during any period of absence of the employee from work due to an authorized leave of absence or disability or, if the employee so elects, he or she may continue to pay periodic cash contributions to the ESPP. If such participating employee returns to active service prior to a purchase date, the employee's payroll deductions will resume. If such employee did not make periodic cash contributions during the employee's period of absence, the employee may elect to either: (i) make up any deficiency in his or her account resulting from a suspension of payroll deductions by an immediate cash payment; (ii) not make up such deficiency in his or her account, in which event the number of shares to be purchased by the employee will be reduced to the number of whole shares that may be purchased with the amount, if any, credited to the employee's account on the purchase date, plus the aggregate amount, if any, of all payroll deductions to be made thereafter; or (iii) withdraw the amount in his or her account and terminate his or her option to purchase.

### ***Termination of Participation***

Our compensation committee will terminate a participating employee's participation in the ESPP and refund all monies in his or her account if: (i) our board of directors terminates the ESPP; or (ii) the employee ceases to be eligible to participate in the ESPP. In the event a participating employee's employment terminates, or is deemed terminated, for any reason other than death, the amount in the employee's account will be distributed and his or her option to purchase will terminate.

If a participating employee terminates participation in the ESPP on account of his or her death, the employee's representative may elect within three months after the employee's death to either: (a) purchase shares of common stock on the purchase date with the amount then credited to the employee's account; or (b) withdraw the amount in the employee's account. If the employee's representative fails to deliver notice of an election within the prescribed period, the election to participate will terminate and the amount in the employee's account will be paid to the employee's representative.

### ***Transferability of Shares***

No participating employee may transfer or assign his or her rights to purchase shares of common stock under the ESPP, whether voluntarily, by operation of law or otherwise. Any payment of cash or issuance of shares of common stock under the ESPP may be made only to the participating employee (or, in the event of the employee's death, to the employee's estate). During a participating employee's lifetime, only such participating employee may exercise his or her rights to purchase shares of common stock under the ESPP.

### ***Amendment; Termination***

Our board of directors may, at any time, amend the ESPP in any respect; provided that without stockholder approval, it may not (i) increase the number of shares that may be made available for

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purchase under the ESPP, or (ii) change the eligibility requirements for participating in the ESPP. Additionally, our board of directors may not make any amendment to the ESPP that impairs the vested rights of participating employees. Our board of directors may suspend or terminate the ESPP at any time and for any reason or for no reason; provided that such suspension or termination will not impair any rights of participating employees that have vested at the time of termination. In any event, the ESPP will, without further action of our board of directors, terminate at the earlier of (a) 10 years after the date of adoption of the ESPP, or (b) such time as all shares of common stock that may be made available for purchase under the ESPP have been issued.

### ***Reorganizations***

Upon our dissolution or liquidation, or upon a merger, consolidation or reorganization of the company with one or more other corporations in which we are not the surviving entity, or upon a sale of all or substantially all of our assets or any other transaction approved by our board of directors resulting in any person or entity owning more than 50% of the combined voting power of all classes of our capital stock, the ESPP and all rights outstanding thereunder will terminate, except to the extent provision is made in writing in connection with such transaction for the continuation or assumption of the ESPP, or for the substitution of the rights under the ESPP with new rights covering the stock of the successor entity. Upon termination of the ESPP in this circumstance, the offering period and the purchase period will end on the last trading day prior to such termination, and the rights of each participating employee shall be automatically exercised on such last trading day.

### ***401(k) Retirement Plan***

We maintain a defined contribution retirement plan for our employees. Our 401(k) plan is intended to qualify as a tax-qualified plan under Section 401 of the Code so that contributions to our 401(k) plan and income earned on such contributions are not taxable to participants until withdrawn or distributed from the 401(k) plan (except in the case of contributions under the 401(k) plan designated as Roth contributions, which are not taxable when distributed). Our 401(k) plan provides that each participant may contribute up to 100% of his or her pre-tax compensation, up to a statutory limit of \$17,500 for 2014 and \$18,000 for 2015. Participants who are at least 50 years old can also make “catch-up” contributions, which in 2014 and 2015 may be up to an additional \$5,500 and \$6,000, respectively, above the statutory limit. Under our 401(k) plan, each employee is fully vested in his or her deferred salary contributions. Employee contributions are held and invested by the plan’s trustee. Our 401(k) plan also permits us to make discretionary and matching contributions, subject to established limits and a vesting schedule. Beginning June 2015, we began making matching contributions equal to 50% of an employee’s contribution up to a maximum of \$3,000 each year.

### ***Non-Employee Director Compensation***

#### ***Cash and Equity Compensation***

In September 2015, our board of directors approved a non-employee director compensation policy, which will be effective for all non-employee directors upon the effective date of the registration statement for this offering. Each non-employee director will receive an annual base retainer of \$35,000. In addition, our non-employee directors will receive the following cash compensation for board services, as applicable:

- the chairman of the board of directors will receive an additional annual retainer of \$35,000;



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- each member of our audit, compensation and nominating and corporate governance committees, other than the chairperson, will receive an additional annual retainer of \$8,500, \$6,500 and \$4,000, respectively; and
- each chairperson of our audit, compensation and nominating and corporate governance committees will receive an additional annual retainer of \$17,000, \$13,000 and \$8,000, respectively.

We will pay all amounts in quarterly installments. We will also reimburse each of our directors for their travel expenses incurred in connection with their attendance at board of directors and committee meetings.

Each non-employee director will also receive an annual award of options to purchase 10,000 shares of our common stock; provided, however, that if the closing of our initial public offering occurs (i) on or before March 31, 2016, non-employee directors will receive the annual award of options at our 2016 annual meeting of stockholders or (ii) after March 31, 2016, non-employee directors will receive the annual award of options upon the closing of our initial public offering, or the Annual Option Award. Each Annual Option Award will vest on the one-year anniversary of the date of grant, subject to the director's continued service on the board of directors.

Newly appointed non-employee directors will receive at the time of his or her appointment to the board of directors, a one-time initial award of options to purchase 25,000 shares of our common stock; provided, however, that if a director's appointment occurs within six months of our next annual meeting of stockholders, such director will be ineligible to receive their Annual Option Award in connection with such meeting. Each newly appointed non-employee director grant will vest monthly over a three-year period.

### **Director Compensation**

Directors who are also our employees receive no additional compensation for their service as directors. The following table provides information regarding compensation awarded to or earned by our non-employee directors as of December 31, 2015.

<u>Name</u>	<u>Fees Earned or Paid in Cash (\$)</u>	<u>Option Award (\$)<sup>(1)(3)</sup></u>	<u>All other compensation (\$)</u>	<u>Total (\$)</u>
Dennis G. Podlesak	—	432,925	350,000 <sup>(2)</sup>	782,925
Henry Chen	—	108,300	—	108,300
Fabrice Egros, Ph.D.	—	90,250	—	90,250
Luke Evnin, Ph.D.	—	126,349	—	126,349
Kim P. Kamdar, Ph.D.	—	108,300	—	108,300
Ivor Royston, M.D.	—	90,250	—	90,250
Richard P. Shea	52,000	126,349	—	178,349
George W. Sledge Jr., M.D.	63,000	126,349	—	189,349

(1) Amounts reflect the grant date fair value of option awards determined in accordance with ASC 718. For information regarding assumptions underlying the value of equity awards, see note 12 to our audited consolidated financial statements and the discussion in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies—Stock-Based Compensation," included elsewhere in this prospectus. These amounts do not correspond to the actual value the director may realize upon exercise of these option awards.

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- (2) Amount reflects a one-time bonus granted to Mr. Podlesak for his efforts related to the Company's Series C-1 convertible preferred stock financing.
- (3) The following table provides information regarding equity awards granted to our non-employee directors that were outstanding as of December 31, 2015.

<u>Name</u>	<u>Option Awards Outstanding at Year-End</u>
Dennis G. Podlesak	170,519
Henry Chen	18,000
Fabrice Egros, Ph.D.	27,709
Luke Evnin, Ph.D.	33,709
Kim P. Kamdar, Ph.D.	—
Ivor Royston, M.D.	27,709
Richard P. Shea	33,709
George W. Sledge Jr., M.D.	33,709

### **Limitation of Liability and Indemnification Agreements**

Our amended and restated certificate of incorporation and amended and restated bylaws, each to become effective immediately prior to the completion of this offering, provide that we will limit the liability of our directors, and may indemnify our directors and officers, to the maximum extent permitted by the Delaware General Corporation Law, or DGCL. The DGCL provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability for any:

- breach of their duty of loyalty to the corporation or its stockholders;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or redemption of shares; or
- transaction from which the directors derived an improper personal benefit.

These limitations of liability do not apply to liabilities arising under federal securities laws and do not affect the availability of equitable remedies such as injunctive relief or rescission.

We entered into separate indemnification agreements with our directors and officers in addition to the indemnification provided for in our amended and restated bylaws. These indemnification agreements provide, among other things, that we will indemnify our directors and officers for certain expenses, including damages, judgments, fines, penalties, settlements and costs and attorneys' fees and disbursements, incurred by a director or officer in any claim, action or proceeding arising in his or her capacity as a director or officer of our company or in connection with service at our request for another corporation or entity. The indemnification agreements also provide for procedures that will apply in the event that a director or officer makes a claim for indemnification.

We also maintain a directors' and officers' insurance policy pursuant to which our directors and officers are insured against liability for actions taken in their capacities as directors and officers. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and officers.

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The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

**CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

The following is a description of transactions, since January 1, 2013, to which we have been a party or will be a party, in which the amount involved exceeded or will exceed \$120,000, and in which any of our executive officers, directors or holders of more than 5% of any class of our voting securities, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest, other than compensation, termination and change of control arrangements, which are described under the section titled "Executive and Director Compensation." We believe the terms obtained or consideration that we paid or received, as applicable, in connection with the transactions described below were comparable to terms available or the amounts that we would pay or receive, as applicable, in arm's-length transactions with unrelated third parties.

**Bridge Financings****December 2011 Bridge Financing**

On December 20, 2011, we entered into a bridge loan financing, or the December 2011 bridge financing, in which we issued (i) convertible promissory notes, or the December 2011 notes, for (a) an aggregate principal amount of \$2.5 million on December 20, 2011, (b) an aggregate principal amount of \$0.4 million on December 28, 2011, (c) an aggregate principal amount of \$2.9 million on April 2, 2012 and (d) an aggregate principal amount of \$3.0 million on June 28, 2012, and (ii) warrants, or the December 2011 warrants, to purchase shares of our common stock at an exercise price of \$30.75 per share, subject to adjustments upon the occurrence of certain events, at a purchase price of 0.1% of the principal amount of the December 2011 notes. The December 2011 notes accrued interest at a rate of 8% per annum and had a maturity date of December 31, 2012. On March 8, 2013, the December 2011 notes converted into 76,489 shares of our Series B convertible preferred stock and 760,390 shares of our Series B-1 convertible preferred stock, and the December 2011 warrants were canceled pursuant to the warrant cancellation agreement.

The following table summarizes the participation in the December 2011 bridge financing by holders of more than 5% of our capital stock and their affiliated entities:

<u>Name</u>	<u>Aggregate Loan Amount (\$)</u>
Funds affiliated with Domain Associates	2,987,760 <sup>(1)</sup>
Funds affiliated with MPM Capital	2,589,392 <sup>(2)</sup>
Funds affiliated with Forward Ventures	717,062 <sup>(3)</sup>

- (1) Consists of (a) two notes held by Domain Partners VI, L.P., or Domain VI, each with a principal amount of \$937,500 and (b) a note held by Domain VI with a principal amount of \$1,112,760. Mr. Podlesak and Dr. Kamdar, members of our board of directors, are partners of Domain Associates, LLC, or Domain LLC, the manager of Domain VI.
- (2) Consists of (a) two notes held by MPM BioVentures IV-QP, L.P., or MPM IV-QP, each with a principal amount of \$676,896, (b) a note held by MPM IV-QP with a principal amount of \$803,438, (c) two notes held by MPM BioVentures IV Strategic Fund, L.P., or MPM Strategic Fund, each with a principal amount of \$90,278, (d) a note held by MPM Strategic Fund with a principal amount of \$107,155, (e) two notes held by MPM BioVentures IV GMBH & Co. Beteiligungs KG, or MPM Beteiligungs, each with a principal amount of \$26,078, (f) a note held by MPM Beteiligungs with a principal amount of \$30,953, (g) two notes held by MPM Asset Management Investors BV4 LLC, or MPM BV4, each with a principal amount of \$19,248 and (h) a note held by MPM BV4 with a principal amount of \$22,846. Dr. Evnin, a member of our board of directors, is a member of MPM BioVentures IV LLC, or MPM IV LLC, which is the managing

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member of MPM BioVentures IV GP LLC, or MPM IV GP, which is (i) the general partner of each of MPM IV-QP and MPM Strategic Fund, and (ii) the managing limited partner of MPM Beteiligungs. MPM IV LLC is the manager of MPM BV4.

- (3) Consists of (a) two notes held by Forward Ventures V, LP, or Forward V, each with a principal amount of \$150,000, (b) a note held by Forward V with a principal amount of \$178,041, (c) two notes held by Forward Ventures IV, LP, or Forward IV, each with a principal amount of \$69,139, (d) a note held by Forward IV with a principal amount of \$82,064, (e) two notes held by Forward Ventures IVB, LP, or Forward IVB, each with a principal amount of \$5,861 and (f) a note held by Forward IVB with a principal amount of \$6,957. Dr. Royston, a member of our board of directors, is a managing member of Forward Ventures, a managing member of Forward IV Associates, LLC, or Forward IV Associates, and a member of Forward V. Forward IV Associates is the general partner of each of Forward IV and Forward IVB. Forward V Associates, L.L.C., or Forward V Associates, is the general partner of Forward V.

### **October 2012 Bridge Financing**

On October 9, 2012, we entered into a bridge loan financing, or the October 2012 bridge financing, in which we issued convertible promissory notes, or the October 2012 notes, for an aggregate principal amount of \$0.8 million. The October 2012 notes accrued interest at a rate of 8% per annum and had a maturity date of October 9, 2013. On March 8, 2013, the October 2012 notes converted into 6,920 shares of our Series B convertible preferred stock and 62,288 shares of our Series B-1 convertible preferred stock.

The following table summarizes the participation in the October 2012 bridge financing by holders of more than 5% of our capital stock and their affiliated entities:

<u>Name</u>	<u>Aggregate Loan Amount (\$)</u>
Funds affiliated with Domain Associates	281,250 <sup>(1)</sup>
Funds affiliated with MPM Capital	243,749 <sup>(2)</sup>
Funds affiliated with Forward Ventures	67,500 <sup>(3)</sup>

- (1) Consists of a note held by Domain VI with a principal amount of \$281,250. Mr. Podlesak and Dr. Kamdar, members of our board of directors, are partners of Domain LLC, the manager of Domain VI.
- (2) Consists of (a) a note held by MPM IV-QP with a principal amount of \$203,069, (b) a note held by MPM Strategic Fund with a principal amount of \$27,083, (c) a note held by MPM Beteiligungs with a principal amount of \$7,823 and (d) a note held by MPM BV4 with a principal amount of \$5,774. Dr. Evnin, a member of our board of directors, is a member of MPM IV LLC, which is the managing member of MPM IV GP, which is (i) the general partner of each of MPM IV-QP and MPM Strategic Fund, and (ii) the managing limited partner of MPM Beteiligungs. MPM IV LLC is the manager of MPM BV4.
- (3) Consists of (a) a note held by Forward V with a principal amount of \$45,000, (b) a note held by Forward IV with a principal amount of \$20,742 and (c) a note held by Forward IVB with a principal amount of \$1,758. Dr. Royston, a member of our board of directors, is a managing member of Forward Ventures, a managing member of Forward IV Associates and a member of Forward V. Forward IV Associates is the general partner of each of Forward IV and Forward IVB. Forward V Associates is the general partner of Forward V.

### **November 2012 Bridge Financing**

On November 19, 2012, we entered into a bridge loan financing, or the November 2012 bridge financing, in which we issued convertible promissory notes, or the November 2012 notes, for (i) an aggregate principal amount of \$0.5 million on November 19, 2012, which had a maturity date of November 19, 2013, (ii) an aggregate principal amount of \$0.5 million on November 30, 2012, which had a maturity date of November 30, 2013, (iii) an aggregate principal amount of \$0.5 million on

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December 28, 2012, which had a maturity date of December 28, 2013 and (iv) an aggregate principal amount of \$0.7 million on January 18, 2013, which had a maturity date of January 18, 2014. The November 2012 notes accrued interest at a rate of 8% per annum. On March 8, 2013, the November 2012 notes converted into 196,306 shares of our Series B-1 convertible preferred stock.

The following table summarizes the participation in the November 2012 bridge financing by holders of more than 5% of our capital stock and their affiliated entities:

<u>Name</u>	<u>Aggregate Loan Amount (\$)</u>
Funds affiliated with Domain Associates	1,026,000 <sup>(1)</sup>
Funds affiliated with MPM Capital	701,998 <sup>(2)</sup>
Funds affiliated with Forward Ventures	194,400 <sup>(3)</sup>

- (1) Consists of (a) two notes held by Domain Partners VIII, L.P., or Domain VIII, each with a principal amount of \$235,751, (b) a note held by Domain VIII with a principal amount of \$330,051, (c) a note held by Domain VIII with a principal amount of \$216,891, (d) two notes held by DP VIII Associates, L.P., or DP VIII, each with a principal amount of \$1,749, (e) a note held by DP VIII with a principal amount of \$2,449 and (f) a note held by DP VIII with a principal amount of \$1,609. Mr. Podlesak and Dr. Kamdar, members of our board of directors, are partners of Domain LLC, the manager of each of Domain VIII and DP VIII.
- (2) Consists of (a) two notes held by MPM IV-QP, each with a principal amount of \$135,380, (b) a note held by MPM IV-QP with a principal amount of \$189,532, (c) a note held by MPM IV-QP with a principal amount of \$124,550, (d) two notes held by MPM Strategic Fund, each with a principal amount of \$18,055, (e) a note held by MPM Strategic Fund with a principal amount of \$25,278, (f) a note held by MPM Strategic Fund with a principal amount of \$16,611, (g) two notes held by MPM Beteiligungs, each with a principal amount of \$5,215, (h) a note held by MPM Beteiligungs with a principal amount of \$7,301, (i) a note held by MPM Beteiligungs with a principal amount of \$4,798, (j) two notes held by MPM BV4, each with a principal amount of \$3,849, (k) a note held by MPM BV4 with a principal amount of \$5,389 and (l) a note held by MPM BV4 with a principal amount of \$3,541. Dr. Evnin, a member of our board of directors, is a member of MPM IV LLC, which is the managing member of MPM IV GP, which is (i) the general partner of each of MPM IV-QP and MPM Strategic Fund, and (ii) the managing limited partner of MPM Beteiligungs. MPM IV LLC is the manager of MPM BV4.
- (3) Consists of (a) two notes held by Forward V, each with a principal amount of \$30,000, (b) a note held by Forward V with a principal amount of \$42,000, (c) a note held by Forward V with a principal amount of \$27,600, (d) two notes held by Forward IV, each with a principal amount of \$13,828, (e) a note held by Forward IV with a principal amount of \$19,359, (f) a note held by Forward IV with a principal amount of \$12,722, (g) two notes held by Forward IVB, each with a principal amount of \$1,172, (h) a note held by Forward IVB with a principal amount of \$1,641 and (i) a note held by Forward IVB with a principal amount of \$1,078. Dr. Royston, a member of our board of directors, is a managing member of Forward Ventures, a managing member of Forward IV Associates and a member of Forward V. Forward IV Associates is the general partner of each of Forward IV and Forward IVB. Forward V Associates is the general partner of Forward V.

### **September 2014 Bridge Financing**

On September 18, 2014, we entered into a bridge loan financing, or the September 2014 bridge financing, in which we issued convertible unsecured promissory notes, or the September 2014 notes, for (i) an aggregate principal amount of \$4,947,480 on September 18, 2014, which had a maturity date of September 30, 2015 and (ii) an aggregate principal amount of \$52,520 on October 1, 2014, which had a maturity date of September 30, 2015. The September 2014 notes accrued interest at a rate of 6% per annum. On June 1, 2015, the September 2014 notes converted into 465,563 shares of our Series C-1 convertible preferred stock.

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The following table summarizes the participation in the September 2014 bridge financing by holders of more than 5% of our capital stock and their affiliated entities:

<u>Name</u>	<u>Aggregate Loan Amount (\$)</u>
Funds affiliated with Domain Associates	1,987,072 <sup>(1)</sup>
Funds affiliated with MPM Capital	1,706,905 <sup>(2)</sup>
Funds affiliated with Forward Ventures	472,682 <sup>(3)</sup>
RMI Investments	780,821 <sup>(4)</sup>

- (1) Consists of (a) a note held by Domain VIII with a principal amount of \$1,972,436 and (b) a note held by DP VIII with a principal amount of \$14,636. Mr. Podlesak and Dr. Kamdar, members of our board of directors, are partners of Domain LLC, the manager of each of Domain VIII and DP VIII.
- (2) Consists of (a) a note held by MPM IV-QP with a principal amount of \$1,422,028, (b) a note held by MPM Strategic Fund with a principal amount of \$189,656, (c) a note held by MPM Beteiligungs with a principal amount of \$54,785 and (d) a note held by MPM BV4 with a principal amount of \$40,436. Dr. Evnin, a member of our board of directors, is a member of MPM IV LLC, which is the managing member of MPM IV GP, which is (i) the general partner of each of MPM IV-QP and MPM Strategic Fund, and (ii) the managing limited partner of MPM Beteiligungs. MPM IV LLC is the manager of MPM BV4.
- (3) Consists of (a) a note held by Forward V with a principal amount of \$315,121, (b) a note held by Forward IV with a principal amount of \$145,248 and (c) a note held by Forward IVB with a principal amount of \$12,313. Dr. Royston, a member of our board of directors, is a managing member of Forward Ventures, a managing member of Forward IV Associates and a member of Forward V. Forward IV Associates is the general partner of each of Forward IV and Forward IVB. Forward V Associates is the general partner of Forward V.
- (4) Consists of a note held by RMI Investments, S.á.r.l., or RMI, with a principal amount of \$780,821.

### **Convertible Preferred Stock Financings**

#### ***Conversion of Series A Convertible Preferred Stock***

On March 8, 2013, in connection with the Series B-1 financing, 3,939,957 shares of our Series A convertible preferred stock converted into shares of our Series A-1 convertible preferred stock. The Series A convertible preferred stock was issued in 2007, 2008 and 2010 in exchange for convertible debt, accrued interest and cash, for gross cash proceeds of \$49.0 million.

The following table sets forth the number of shares of Series A-1 convertible preferred stock received in the conversion of the Series A convertible preferred stock by holders of more than 5% of our capital stock and their affiliated entities. Each share of Series A-1 convertible preferred stock in the table below will convert into one share of our common stock upon completion of this offering.

<u>Name</u>	<u>Series A Convertible Preferred Stock Converted (#)</u>	<u>Shares of Series A-1 Convertible Preferred Stock Issued Upon Conversion of Series A Convertible Preferred Stock (#)</u>
Funds affiliated with Domain Associates <sup>(1)</sup>	1,641,650	1,641,650
Funds affiliated with MPM Capital <sup>(2)</sup>	1,422,763	1,422,763
Funds affiliated with Forward Ventures <sup>(3)</sup>	393,995	393,995

- (1) Mr. Podlesak and Dr. Kamdar, members of our board of directors, are partners of Domain LLC.
- (2) Dr. Evnin, a member of our board of directors, is a managing director of MPM Capital.
- (3) Dr. Royston, a member of our board of directors, is a managing member of Forward Ventures.

**Issuance of Series B-1 Convertible Preferred Stock**

On March 8, 2013, we entered into the Series B-1 financing, pursuant to a Series B-1 preferred stock purchase agreement, or the Series B-1 purchase agreement, in which we agreed to sell up to 2,763,239 shares of our Series B-1 convertible preferred stock at a price per share of \$11.19 in five tranches. The first tranche closed on March 8, 2013, at which time we issued 1,724,067 shares of Series B-1 convertible preferred stock, for net cash proceeds of \$1.3 million and conversion of \$18.7 million in principal amount of convertible notes and accrued interest thereon. In connection with the closing of the first tranche, the convertible notes we issued in the August 2010 bridge financing, December 2011 bridge financing, October 2012 bridge financing and November 2012 bridge financing and certain convertible notes we issued in February 2013 converted into either shares of Series B-1 convertible preferred stock or shares of Series B convertible preferred stock, contingent on whether the note holder invested its pro rata share in the Series B-1 financing. Collectively, these convertible notes converted into 1,605,697 shares of our Series B-1 convertible preferred stock and 148,153 shares of our Series B convertible preferred stock. The second tranche closed on April 30, 2013, at which time we issued 98,268 additional shares of Series B-1 convertible preferred stock, for gross cash proceeds of \$1.1 million. In August 2013, we amended the Series B-1 purchase agreement in order to add RMI as a purchaser to the third tranche and any subsequent tranches. The third tranche closed on August 20, 2013, at which time we issued 605,280 additional shares of Series B-1 convertible preferred stock, for gross cash proceeds of \$6.8 million. The Series B-1 purchase agreement provides for closings of fourth and fifth tranches upon the completion of certain closing conditions. In November 2013, we entered into an acknowledgement and waiver agreement with the purchasers of Series B-1 convertible preferred stock, pursuant to which the investors waived certain closing conditions relating to the date of closing of the fourth and fifth tranches, including the condition that we complete certain patent assignments as more fully described below. See the section titled “Certain Relationships and Related Party Transactions—NovaMedica Agreements.” Accordingly, the fourth and fifth tranches were accelerated and closed on November 20, 2013. At the closing of the fourth tranche, we issued 678,988 additional shares of Series B-1 convertible preferred stock, for gross cash proceeds of \$7.6 million. At the closing of the fifth tranche, we issued 428,839 additional shares of Series B-1 convertible preferred stock, for gross cash proceeds of \$4.8 million.

The tables below set forth the number of shares of Series B-1 convertible preferred stock purchased by holders of more than 5% of our capital stock and their affiliated entities in each of the five tranches of the Series B-1 financing. Each share of Series B-1 convertible preferred stock in the tables below will convert into one share of our common stock upon completion of this offering.

**First Tranche—March 2013**

<u>Name</u>	<u>Series B-1 Convertible Preferred Stock (#)</u>	<u>Cancellation of Indebted- ness (Note Conversion) (\$)</u>	<u>Cash Purchase Price of Series B-1 Convertible Preferred Stock (\$)</u>	<u>Aggregate Purchase Price (including Note Conversion and Cash Purchase Price) (\$)</u>
Funds affiliated with Domain Associates <sup>(1)</sup>	700,273	7,283,713	554,472	7,838,185
Funds affiliated with MPM Capital <sup>(2)</sup>	589,158	6,118,207	476,294	6,594,501
Funds affiliated with Forward Ventures <sup>(3)</sup>	163,149	1,694,273	131,897	1,826,170



[Table of Contents](#)**Second Tranche—April 2013**

<u>Name</u>	<u>Series B-1 Convertible Preferred Stock (#)</u>	<u>Aggregate Purchase Price of Series B-1 Convertible Preferred Stock (\$)</u>
Funds affiliated with Domain Associates <sup>(1)</sup>	41,124	460,316
Funds affiliated with MPM Capital <sup>(2)</sup>	35,324	395,414
Funds affiliated with Forward Ventures <sup>(3)</sup>	9,781	109,499

**Third Tranche—August 2013**

<u>Name</u>	<u>Series B-1 Convertible Preferred Stock (#)</u>	<u>Aggregate Purchase Price of Series B-1 Convertible Preferred Stock (\$)</u>
Funds affiliated with Domain Associates <sup>(1)</sup>	141,870	1,587,973
Funds affiliated with MPM Capital <sup>(2)</sup>	121,866	1,364,076
Funds affiliated with Forward Ventures <sup>(3)</sup>	33,746	377,744
RMI Investments	303,761	3,400,000

**Fourth Tranche—November 2013**

<u>Name</u>	<u>Series B-1 Convertible Preferred Stock (#)</u>	<u>Aggregate Purchase Price of Series B-1 Convertible Preferred Stock (\$)</u>
Funds affiliated with Domain Associates <sup>(1)</sup>	176,551	1,976,143
Funds affiliated with MPM Capital <sup>(2)</sup>	151,656	1,697,517
Funds affiliated with Forward Ventures <sup>(3)</sup>	41,996	470,082
RMI Investments	303,761	3,400,000

**Fifth Tranche—November 2013**

<u>Name</u>	<u>Series B-1 Convertible Preferred Stock (#)</u>	<u>Aggregate Purchase Price of Series B-1 Convertible Preferred Stock (\$)</u>
RMI Investments	428,839	4,800,000

(1) Mr. Podlesak and Dr. Kamdar, members of our board of directors, are partners of Domain LLC.

(2) Dr. Evnin, a member of our board of directors, is a managing director of MPM Capital.

(3) Dr. Royston, a member of our board of directors, is a managing member of Forward Ventures.

**Issuance of Series B-1 Convertible Preferred Stock**

On April 18, 2013, we entered into a license and development agreement, or the Eddingpharm license agreement, with Eddingpharm International Company Limited, or Eddingpharm. In connection with the Eddingpharm license agreement, Eddingpharm agreed to purchase shares of our Series B-1 convertible preferred stock. On April 18, 2013, we entered into a preferred stock financing with Eddingpharm, or the Eddingpharm Series B-1 financing, in which we agreed to sell up to 446,707 shares of our Series B-1 convertible preferred stock at a price per share of \$11.19 in two tranches. The first tranche closed on July 17, 2013, at which time we issued 223,353 shares of Series B-1 convertible preferred stock, for gross cash proceeds of \$2.5 million. In November 2013, we entered into a letter agreement with Eddingpharm, pursuant to which Eddingpharm waived certain closing conditions

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relating to the date of closing of the second tranche. Accordingly, the second tranche was accelerated and closed on November 15, 2013, at which time we issued 223,353 additional shares of Series B-1 convertible preferred stock, for gross cash proceeds of \$2.5 million.

The tables below set forth the number of shares of Series B-1 convertible preferred stock purchased by Eddingpharm in each of the two tranches of the Eddingpharm Series B-1 financing. Each share of Series B-1 convertible preferred stock in the tables below will convert into one share of our common stock upon completion of this offering.

### *First Tranche—July 2013*

<u>Name</u>	<u>Series B-1 Convertible Preferred Stock (#)</u>	<u>Aggregate Purchase Price of Series B-1 Convertible Preferred Stock (\$)</u>
Eddingpharm	223,353	2,500,000

### *Second Tranche—November 2013*

<u>Name</u>	<u>Series B-1 Convertible Preferred Stock (#)</u>	<u>Aggregate Purchase Price of Series B-1 Convertible Preferred Stock (\$)</u>
Eddingpharm	223,353	2,500,000

In April 2015, Eddingpharm transferred all of the Series B-1 convertible preferred stock purchased by Eddingpharm in each of the two tranches of the Eddingpharm Series B-1 financing to its affiliate, Boom Profit Investments Limited.

### *Issuance of Series B-1 Convertible Preferred Stock*

On December 19, 2014, we entered into a license, development and commercialization agreement, or the KHK license agreement, with Kyowa Hakko Kirin Co., Ltd, or KHK. In connection with the KHK license agreement, KHK agreed to purchase shares of our Series B-1 convertible preferred stock. On December 19, 2014, we entered into a preferred stock financing with KHK, or the KHK Series B-1 financing, in which we agreed to sell up to 670,062 shares of our Series B-1 convertible preferred stock at a price per share of \$11.19. The KHK Series B-1 financing closed on January 6, 2015, at which time we issued 670,062 shares of Series B-1 convertible preferred stock, for gross cash proceeds of \$7.5 million. Each share of Series B-1 convertible preferred stock issued in the KHK Series B-1 financing will convert into one share of our common stock upon completion of this offering.

### *Issuance of Series C-1 Convertible Preferred Stock*

On June 1, 2015, we issued 1,675,149 shares of Series C-1 convertible preferred stock at a price per share of \$11.19, pursuant to a Series C-1 preferred stock purchase agreement, or the June Series C-1 financing, for gross cash proceeds of \$18.7 million. In connection with the June Series C-1 financing, the \$5.0 million of convertible notes we issued in the September 2014 bridge financing and the related \$0.2 million of accrued interest converted into 465,563 shares of Series C-1 convertible preferred stock.

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The table below sets forth the number of shares of Series C-1 convertible preferred stock purchased by holders of more than 5% of our capital stock and their affiliated entities in the June Series C-1 financing. Each share of Series C-1 convertible preferred stock in the table below will convert into one share of our common stock upon completion of this offering.

<u>Name</u>	<u>Series C-1 Convertible Preferred Stock (#)</u>	<u>Cancellation of Indebted- ness (Note Conversion) (\$)</u>	<u>Cash Purchase Price of Series C-1 Convertible Preferred Stock (\$)</u>	<u>Aggregate Purchase Price (including Note Conversion and Cash Purchase Price) (\$)</u>
Delos Investments 1 <sup>(1)</sup>	1,005,092	—	11,249,995	11,249,995
Funds affiliated with Domain Associates <sup>(2)</sup>	454,145	2,071,019	3,012,238	5,083,257
Funds affiliated with MPM Capital <sup>(3)</sup>	390,111	1,779,016	2,587,519	4,366,535
Funds affiliated with Forward Ventures <sup>(4)</sup>	108,028	492,651	716,531	1,209,182
RMI Investments	178,456	813,808	1,183,660	1,997,468

(1) Mr. Chen, a member of our board of directors, is the managing partner of Delos Capital Fund, LP.

(2) Mr. Podlesak and Dr. Kamdar, members of our board of directors, are partners of Domain LLC.

(3) Dr. Evnin, a member of our board of directors, is a managing director of MPM Capital.

(4) Dr. Royston, a member of our board of directors, is a managing member of Forward Ventures.

### **Issuance of Series C-1 Convertible Preferred Stock**

On August 21, 2015, we issued 5,472,390 shares of Series C-1 convertible preferred stock at a price per share of \$11.19, pursuant to a Series C-1 preferred stock purchase agreement, or the August Series C-1 financing, for gross cash proceeds of \$61.3 million.

The table below sets forth the number of shares of Series C-1 convertible preferred stock purchased by holders of more than 5% of our capital stock and their affiliated entities in the August Series C-1 financing. Each share of Series C-1 convertible preferred stock in the table below will convert into one share of our common stock upon completion of this offering.

<u>Name</u>	<u>Series C-1 Convertible Preferred Stock (#)</u>	<u>Aggregate Purchase Price of Series C-1 Convertible Preferred Stock (\$)</u>
Delos Investments 1 <sup>(1)</sup>	474,628	5,312,511
Funds affiliated with BlackRock, Inc.	893,415	9,999,994
Funds affiliated with Fidelity Management & Research Company	1,786,831	19,999,999

(1) Mr. Chen, a member of our board of directors, is the managing partner of Delos Capital Fund, LP.

### **NovaMedica Agreements**

In connection with the third tranche of the Series B-1 financing in August 2013, we entered into a technology transfer agreement with Domain Russia Investments Limited, or DRI, an affiliate of Domain VIII. Domain VIII and Domain VI are both managed by Domain LLC. Pursuant to the technology transfer agreement, in exchange for a nominal payment, we assigned to DRI certain patent applications, or the assigned patents, in Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan, or the territory, and granted to DRI an exclusive, fully paid-up, royalty-free, irrevocable and assignable license under our other intellectual property to develop and commercialize entinostat and any other product containing the same active ingredient in the territory. We concurrently entered into a sublicense agreement, or the

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DRI sublicense, with DRI and a sublicense agreement, or the NovaMedica sublicense, with NovaMedica LLC, or NovaMedica. NovaMedica is jointly owned by Rusnano Medinvest LLC, or Rusnano Medinvest, and DRI. RMI, a holder of more than 5% of our capital stock, is a wholly owned subsidiary of Rusnano Medinvest. Fabrice Egros, Ph.D., a member of our board of directors, is NovaMedica's Deputy Chief Executive Officer/Chief Operating Officer and a member of its board of directors. Pursuant to the DRI sublicense, we granted to DRI an exclusive sublicense under the patents and other intellectual property licensed to us by Bayer to develop, manufacture and commercialize entinostat and any other product containing the same active ingredient in the Russian Federation. Pursuant to the NovaMedica sublicense, we granted to NovaMedica an exclusive sublicense under the patents and other intellectual property licensed to us by Bayer to develop, manufacture and commercialize entinostat and any other product containing the same active ingredient in the rest of the territory. Immediately thereafter, we, together with DRI and NovaMedica, executed an assignment and assumption agreement, pursuant to which the assigned patents and all of DRI's rights and obligations under the technology transfer agreement and the DRI sublicense were transferred to NovaMedica. We agreed to perform all actions required to ensure that the patent assignments to DRI are registered and recorded in each country in the territory, and we agreed to provide all assistance that may be reasonably required to complete the subsequent transfer to NovaMedica of the assigned patents and DRI's rights under the technology transfer agreement and the DRI sublicense.

Under the terms of the technology transfer agreement, we have agreed, at NovaMedica's reasonable request, to facilitate NovaMedica's establishment of a manufacturing relationship with any of our third-party manufacturers. We also have agreed to provide NovaMedica with certain know-how and development and manufacturing support, including making our employees available to provide scientific and technical explanations, advice and support that may be reasonably required by NovaMedica. NovaMedica is required to reimburse us for any out-of-pocket expenses incurred by us in providing this assistance. In addition, we have agreed to sell to NovaMedica, at cost, our on-hand quantities of entinostat or any other product containing the same active ingredient to enable NovaMedica to conduct clinical trials of such product in the territory, so long as any sale does not reasonably interfere with our own development and commercialization activities.

In October 2013, we entered into a letter agreement with DRI pursuant to which we are obligated to indemnify DRI against certain third party claims. In particular, DRI, as an owner of NovaMedica, may be obligated under certain Russian loss compensation laws to make additional contributions to NovaMedica should the patent applications assigned by us to DRI under the technology transfer agreement, which were subsequently assigned by DRI to NovaMedica, diminish in value. We have agreed to indemnify DRI against any claims brought in respect of such Russian loss compensation laws, where such claims arise out of our breach of specified representations and warranties that we made in the technology transfer agreement, up to a maximum amount of \$1.2 million.

At the same time that we entered into the technology transfer agreement, the DRI sublicense and the NovaMedica sublicense, we also entered into a clinical development and collaboration agreement, or the collaboration agreement, and a supply agreement with NovaMedica. The collaboration agreement establishes a framework under which we will consult with NovaMedica on development and regulatory issues relating to entinostat, including through various joint committees to be formed by the parties. Under the supply agreement, we are obligated to provide NovaMedica with a commercial supply of entinostat at a price to be negotiated in the future after the specifications for the commercial form of entinostat are finalized. Such price is limited to a fixed percentage mark-up over our costs. We do not consider our agreements with DRI and NovaMedica to be material given the early stage of development of entinostat in the territory and immateriality of the market in the territory.

### **Investors' Rights Agreement**

We are party to an amended and restated investors' rights agreement, or the investors' rights agreement, dated August 21, 2015, with the holders of our convertible preferred stock, certain holders of our common stock and Bayer. The investors' rights agreement provides that the holders of common stock issuable upon conversion of our convertible preferred stock have the right to demand that we file a registration statement or request that their shares of common stock be covered by a registration statement that we otherwise file. In addition to the registration rights, the investors' rights agreement provides for certain information rights and rights of first refusal. The provisions of the investors' rights agreement will terminate upon the completion of this offering, other than the registration rights which will terminate upon the earlier of (i) with respect to each stockholder, the date when such stockholder can sell all of its registrable shares in a single transaction pursuant to Rule 144 of the Securities Act, (ii) three years after this offering or (iii) a liquidating transaction as defined in our amended and restated certificate of incorporation, as currently in effect. The registration rights are described in more detail in the section titled "Description of Capital Stock—Registration Rights."

### **Voting Agreement**

We have entered into an amended and restated voting agreement dated August 21, 2015, or the voting agreement, with certain holders of our common stock and certain holders of our convertible preferred stock. Pursuant to the voting agreement, holders of our Series A-1 convertible preferred stock, Series B-1 convertible preferred stock and Series C-1 convertible preferred stock have agreed to vote to approve the following: (i) one director to be a designee of Domain VIII, DP VIII, Domain VI and DP VI Associates, L.P., or DP VI, who is currently Kim P. Kamdar, Ph.D.; (ii) one director to be a designee of MPM IV-QP, who is currently Luke Evnin, Ph.D.; (iii) one director to be a designee of Forward V, Forward IV and Forward IVB, who is currently Ivor Royston, M.D.; (iv) one director to be a designee of RMI, who is Fabrice Egros, Ph.D.; and (v) one director to be a designee of Delos, who is currently Henry Chen. Certain holders of common stock have agreed to vote to approve the following: one director to be our Chief Executive Officer, who is currently Briggs W. Morrison, M.D.; and one director to be nominated by such holders of common stock, who is currently Dennis G. Podlesak. Certain holders of common stock and convertible preferred stock have agreed to vote together as a single class to nominate two directors who are not affiliates of us or any of our investors, to be designated as independent by unanimous approval of our board of directors, who are currently George W. Sledge Jr., M.D. and Richard P. Shea. The voting agreement will terminate upon the earlier of (i) the completion of this offering, (ii) a liquidating transaction as defined in the voting agreement or (iii) 10 years from the date of the voting agreement.

### **Other Transactions**

We have entered into various employment related agreements and compensatory arrangements with our directors and executive officers that, among other things, provide for compensatory and certain severance and change of control benefits. For a description of these agreements and arrangements, see the section titled "Executive and Director Compensation—Executive Compensation—Employment Agreements."

We entered into separate indemnification agreements with our directors and officers. See the section titled "Executive and Director Compensation—Limitation of Liability and Indemnification Agreements."

**Policies and Procedures Regarding Transactions with Related Parties**

In September 2015, our board of directors adopted a written related party transaction policy that will be in effect upon completion of this offering. Accordingly, following this offering, all proposed related party transactions must be approved by either (i) our nominating and corporate governance committee or (ii) our full board of directors. This review will cover any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, the amount involved exceeds \$120,000, and a related party had or will have a direct or indirect material interest, including purchases of goods or services by or from a related party in which the related party has a material interest, and indebtedness, guarantees of indebtedness and employment by us of a related party. A “related party” is any person who is or was one of our executive officers, directors or director nominees or is a holder of more than 5% of our common stock, or their immediate family members or any entity owned or controlled by any of the foregoing persons.

All of the transactions described above were entered into prior to the adoption of this policy and were approved by our board of directors.

## PRINCIPAL STOCKHOLDERS

The following table sets forth certain information known to us regarding the beneficial ownership of our common stock as of January 1, 2016, and as adjusted to reflect the sale of shares of common stock in this offering and the conversion of all outstanding shares of our convertible preferred stock by:

- each of our named executive officers;
- each of our directors;
- all of our executive officers and directors as a group; and
- each person, or group of affiliated persons, known by us to beneficially own more than 5% of any class of our voting securities.

We have based our calculation of beneficial ownership prior to this offering on \_\_\_\_\_ shares of common stock outstanding on January 1, 2016, assuming the conversion of all outstanding shares of our convertible preferred stock into an aggregate of 16,090,757 shares of our common stock upon completion of this offering. We have based our calculation of beneficial ownership after this offering on \_\_\_\_\_ shares of our common stock outstanding immediately following the completion of this offering, which gives effect to (i) the issuance of \_\_\_\_\_ shares of common stock in this offering and (ii) the conversion of all outstanding shares of our convertible preferred stock into an aggregate of 16,090,757 shares of our common stock upon completion of this offering. Ownership information assumes no exercise of the underwriters' over-allotment option.

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Information with respect to beneficial ownership has been furnished to us by each director, executive officer or stockholder who holds more than 5% of any class of our voting securities, as the case may be. Beneficial ownership is determined according to the rules of the SEC and generally means that a person has beneficial ownership of a security if he or she possesses sole or shared voting or investment power of that security, and includes options and warrants that are currently exercisable within 60 days of January 1, 2016. Options to purchase shares of our common stock that are exercisable within 60 days of January 1, 2016 are deemed to be beneficially owned by the persons holding these options for the purpose of computing percentage ownership of that person, but are not treated as outstanding for the purpose of computing any other person's ownership percentage. Except as indicated in the footnotes below, each of the beneficial owners named in the table below has, and upon completion of this offering will have, to our knowledge, sole voting and investment power with respect to all shares of common stock listed as beneficially owned by him or her, except for shares owned jointly with that person's spouse. Unless otherwise indicated, the address for each of the stockholders in the table below is c/o Syndax Pharmaceuticals, Inc., 400 Totten Pond Road, Suite 110, Waltham, Massachusetts 02451.

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned		Percentage of Shares Beneficially Owned	
	Before Offering	After Offering	Before Offering	After Offering
<b>Named Executive Officers and Directors:</b>				
Michael A. Metzger <sup>(1)</sup>	607,802		3.6%	
Michael L. Meyers <sup>(2)</sup>	202,601		1.2%	
Arlene M. Morris <sup>(3)</sup>	385,694		2.3%	
Dennis G. Podlesak <sup>(4)</sup>	170,519		1.0%	
Henry Chen <sup>(5)</sup>	18,000		*	
Fabrice Egros, Ph.D. <sup>(6)</sup>	27,709		*	
Luke Evnin, Ph.D. <sup>(7)</sup>	2,744,587		16.9%	
Kim P. Kamdar, Ph.D. <sup>(8)</sup>	32,309		*	
Briggs W. Morrison, M.D. <sup>(9)</sup>	1,013,003		5.9%	
Ivor Royston, M.D. <sup>(10)</sup>	778,404		4.8%	
Richard P. Shea <sup>(11)</sup>	33,709		*	
George W. Sledge Jr., M.D. <sup>(12)</sup>	33,709		*	
All executive officers and directors as a group (14 persons)	6,405,922		33.5%	
<b>5% Stockholders:</b>				
Entities affiliated with BlackRock, Inc. <sup>(13)</sup>	893,415		5.5%	
Entities affiliated with Domain Associates <sup>(14)</sup>	3,172,568		19.6%	
Entities affiliated with FMR LLC <sup>(15)</sup>	1,820,134		11.2%	
Entities affiliated with MPM Capital <sup>(16)</sup>	2,710,878		16.7%	
Delos Investments 1 <sup>(17)</sup>	1,479,720		9.1%	
RMI Investments <sup>(18)</sup>	1,214,817		7.5%	

\* Represents beneficial ownership of less than 1% of our outstanding common stock.

(1) Consists solely of 607,802 shares of common stock issuable upon the exercise of stock options within 60 days of January 1, 2016.

(2) Consists solely of 202,601 shares of common stock issuable upon the exercise of stock options within 60 days of January 1, 2016.

(3) Consists solely of 385,694 shares of common stock issuable upon the exercise of stock options within 60 days of January 1, 2016.

(4) Consists solely of 170,519 shares of common stock issuable upon the exercise of stock options within 60 days of January 1, 2016. Mr. Podlesak is a partner of Domain LLC. Mr. Podlesak has no voting or dispositive control over and disclaims beneficial ownership of the shares held by the entities affiliated with Domain LLC listed in footnote 14 below.



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- (5) Consists solely of 18,000 shares of common stock issuable upon the exercise of stock options within 60 days of January 1, 2016.
- (6) Consists solely of 27,709 shares of common stock issuable upon the exercise of stock options within 60 days of January 1, 2016.
- (7) Consists of (a) 33,709 shares of common stock issuable upon the exercise of stock options within 60 days of January 1, 2016, (b) 2,258,452 shares of common stock held by MPM IV-QP, (c) 301,206 shares of common stock held by MPM Strategic Fund, (d) 87,004 shares of common stock held by MPM Beteiligungs, and (e) 64,216 shares of common stock held by MPM BV4. Dr. Evnin is a member of MPM IV LLC, which is the managing member of MPM IV GP, which is (i) the general partner of each of MPM IV-QP and MPM Strategic Fund, and (ii) the managing limited partner of MPM Beteiligungs. MPM IV LLC is the manager of MPM BV4. Dr. Evnin shares power to vote, acquire, hold and dispose of the shares held by MPM IV-QP, MPM Strategic Fund, MPM Beteiligungs and MPM BV4, or collectively the MPM Entities. Dr. Evnin disclaims beneficial ownership of all shares held by the MPM Entities, except to the extent of his actual pecuniary interest therein.
- (8) Consists of (a) 15,354 shares of common stock and (b) 16,955 shares of common stock held by Domain LLC. Dr. Kamdar is a managing member of Domain LLC, and shares voting and investment power over the shares held by Domain LLC. Dr. Kamdar disclaims beneficial ownership of all shares held by Domain LLC, except to the extent of her actual pecuniary interest therein.
- (9) Consists solely of 1,013,003 shares of common stock issuable upon the exercise of stock options within 60 days of January 1, 2016.
- (10) Consists of (a) 27,709 shares of common stock issuable upon the exercise of stock options within 60 days of January 1, 2016, (b) 500,468 shares of common stock held by Forward V, (c) 230,678 shares of common stock held by Forward IV, and (d) 19,549 shares of common stock held by Forward IVB. Dr. Royston is a member of Forward V and a managing member of Forward IV Associates, which is the general partner of each of Forward IV and Forward IVB. Forward V, Forward IV and Forward IVB are referred to herein as the Forward Entities. Dr. Royston shares voting and investment power over the shares held by the Forward Entities, and disclaims beneficial ownership of all shares held by the Forward Entities, except to the extent of his actual pecuniary interest therein.
- (11) Consists solely of 33,709 shares of common stock issuable upon the exercise of stock options within 60 days of January 1, 2016.
- (12) Consists solely of 33,709 shares of common stock issuable upon the exercise of stock options within 60 days of January 1, 2016.
- (13) Consists of (a) 835,261 shares of common stock held by BlackRock Health Sciences Opportunities Portfolio, a series of BlackRock Funds, (b) 44,286 shares of common stock held by BlackRock Health Sciences Trust and (c) 13,868 shares of common stock held by BlackRock Health Sciences Master Unit Trust. The registered holders of the referenced shares are funds and accounts under management by investment adviser subsidiaries of BlackRock, Inc. BlackRock, Inc. is the ultimate parent holding company of such investment adviser entities. On behalf of such investment adviser entities, Thomas Callan, as a managing director of such entities, has voting and investment power over the shares held by the funds and accounts which are the registered holders of the referenced shares. Thomas Callan expressly disclaims beneficial ownership of all shares held by such funds and accounts. The address of such funds and accounts, such investment adviser subsidiaries and Thomas Callan is 2929 Arch Street, 16<sup>th</sup> Floor, Philadelphia, PA 19104.
- (14) Consists of (a) 2,179,819 shares of common stock held by Domain VI, (b) 951,333 shares of common stock held by Domain VIII, (c) 17,407 shares of common stock held by DP VI, (d) 7,054 shares of common stock held by DP VIII, and (e) 16,955 shares of common stock held by Domain LLC. One Palmer Square VI is the general partner of each of Domain VI and DP VI, and One Palmer Square VIII is the general partner of each of Domain VIII and DP VIII. Domain VI, DP VI, Domain VIII, DP VIII and Domain LLC are referred to herein as the Domain Entities. James C. Blair, Brian H. Dovey, Jesse I. Treu, Kathleen K. Schoemaker and Nicole Vitullo, the managing members of One Palmer Square VI, share voting and investment power over the shares held by Domain VI and DP VI. James C. Blair, Brian H. Dovey, Jesse I. Treu, Kathleen K.

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Schoemaker, Brian K. Halak and Nicole Vitullo, the managing members of One Palmer Square VIII, share voting and investment power over the shares held by Domain VIII and DP VIII. James C. Blair, Brian H. Dovey, Jesse I. Treu, Kathleen K. Schoemaker, Brian K. Halak, Nicole Vitullo, Nimesh Shah and Dr. Kamdar, the managing members of Domain LLC, share voting and investment power over the shares held by Domain LLC. Each managing member of One Palmer Square VI, One Palmer Square VIII and Domain LLC disclaims beneficial ownership of all shares held by the Domain Entities, except to the extent of each such managing member's actual pecuniary interest therein. The address for the Domain Entities is One Palmer Square, Suite 515, Princeton, NJ 08542.

- (15) Consists of (a) 1,441,772 shares of common stock held by Fidelity Select Portfolios: Biotechnology Portfolio, or Fidelity Select Portfolio, (b) 345,059 shares of common stock held by Fidelity Advisor Series VII: Fidelity Advisor Biotechnology Fund, or Fidelity Advisors, and (c) 33,303 shares of common stock held by Fidelity Rutland Square Trust II: Strategic Advisers Small - Mid Cap Fund, or Fidelity Rutland. Fidelity Select Portfolio, Fidelity Advisors and Fidelity Rutland are managed by direct or indirect subsidiaries of FMR LLC. Edward C. Johnson 3d is a Director and the Chairman of FMR LLC and Abigail P. Johnson is a Director, the Vice Chairman and the President of FMR LLC. Members of the family of Edward C. Johnson 3d, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act, or Fidelity Funds, advised by Fidelity Management & Research Company, or FMR Co, a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds' Boards of Trustees. Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the Fidelity Funds' Boards of Trustees. The address of entities affiliated with Fidelity Select Portfolio and Fidelity Advisors is 245 Summer Street, Boston, MA 02110.
- (16) Consists of (a) 2,258,452 shares of common stock held by MPM IV-QP, (b) 301,206 shares of common stock held by MPM Strategic Fund, (c) 87,004 shares of common stock held by MPM Beteiligungs, and (d) 64,216 shares of common stock held by MPM BV4. MPM IV LLC is the managing member of MPM IV GP, which is (i) the general partner of each of MPM IV-QP and MPM Strategic Fund, and (ii) the managing limited partner of MPM Beteiligungs. MPM IV LLC is the manager of MPM BV4. Dr. Evnin, Ansbert Gadicke, Todd Foley, James Scopa and Vaughn Kailian, members of MPM IV LLC, share power to vote, acquire, hold and dispose of the shares held by the MPM Entities. Each member of MPM IV LLC disclaims beneficial ownership of all shares held by the MPM Entities, except to the extent of each such member's actual pecuniary interest therein. The address for the MPM Entities is 601 Gateway Blvd., Suite 350, South San Francisco, CA 94080.
- (17) The address for Delos Investments 1 is 190 Elgin Avenue, George Town Grand Cayman KY1-9005, Cayman Islands.
- (18) The address for RMI Investments is 7, Rue Robert Stümper, L-2557, Luxembourg.

## DESCRIPTION OF CAPITAL STOCK

Immediately prior to the completion of this offering, our amended and restated certificate of incorporation will authorize us to issue up to 100,000,000 shares of common stock, par value \$0.0001 per share and 10,000,000 shares of preferred stock, par value \$0.001 per share. As of September 30, 2015, there were outstanding:

- shares of our common stock held by approximately stockholders (including 20,274 shares of unvested restricted stock subject to repurchase by us), which gives effect to the conversion of all outstanding shares of our convertible preferred stock into an aggregate of 16,090,757 shares of our common stock upon completion of this offering;
- 3,236,470 shares of our common stock subject to outstanding options; and
- shares of our common stock issuable upon the exercise of the Bayer Warrant at an exercise price of \$1.23 per share, based upon shares of our common stock outstanding as of September 30, 2015 on a fully diluted basis immediately following this offering, which warrant is expected to remain outstanding upon completion of this offering.

The following description of our capital stock is not complete and is subject to and qualified in its entirety by our amended and restated certificate of incorporation and amended and restated bylaws and by the provisions of applicable Delaware law. Copies of these documents are filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of our common stock, preferred stock and warrant reflect changes to our capital structure that will occur immediately in connection with the completion of this offering.

### **Common Stock**

#### ***Voting Rights***

Each holder of common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders. The affirmative vote of holders of at least 66% of the voting power of all of the then-outstanding shares of capital stock, voting as a single class, will be required to amend certain provisions of our amended and restated certificate of incorporation, including provisions relating to amending our amended and restated bylaws, the classified board, the size of our board, removal of directors, director liability, vacancies on our board, special meetings, stockholder notices, actions by written consent and exclusive jurisdiction.

#### ***Dividends***

Subject to preferences that may apply to any outstanding preferred stock, holders of our common stock are entitled to receive ratably any dividends that our board of directors may declare out of funds legally available for that purpose.

#### ***Liquidation***

In the event of our liquidation, dissolution or winding up, holders of our common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preference of any outstanding preferred stock.

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### ***Rights and Preferences***

Holders of our common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of our preferred stock that we may designate in the future.

### ***Fully Paid and Nonassessable***

All outstanding shares of our common stock are fully paid and non-assessable, and the shares of common stock to be issued upon completion of this offering will be fully paid and non-assessable.

### **Preferred Stock**

Immediately prior to the completion of this offering, all outstanding shares of our preferred stock will convert into shares of common stock. Upon completion of this offering, our board of directors will have the authority, without further action by our stockholders, to issue up to 10,000,000 shares of preferred stock in one or more series and to fix the number, rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences and sinking fund terms, and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of common stock. The issuance of our preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change of control or other corporate action. We have no current plan to issue any shares of preferred stock.

### **Bayer Warrant**

We issued the Bayer Warrant to Bayer to purchase such number of shares of our common stock initially equal to 1.75% of the shares of common stock outstanding on a fully diluted basis as of the earlier of the date of exercise or our initial public offering, at an exercise price of \$1.23 per share. The Bayer Warrant contains a cashless exercise feature and Bayer may, at its option, exercise the Bayer Warrant in whole or in part at any time prior to expiration upon the earlier of (i) 10 years after our initial public offering or (ii) a consummation of a sale of all or substantially all of our assets or business.

### **Registration Rights**

Holders of \_\_\_\_\_ shares of our convertible preferred stock, common stock, and common stock issuable upon exercise of the Bayer Warrant, have the right to demand that we file a registration statement or request that we cover their shares by a registration statement that we otherwise file, as described below.

### ***Demand Registration Rights***

At any time after 180 days after the completion of this offering, holders of at least 35% of the shares having demand registration rights may request that we register all or a portion of their shares of

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common stock for sale under the Securities Act. We will effect the registration as requested, unless, in the good faith judgment of our board of directors, such registration would be seriously detrimental to the company and should be delayed. In addition, when we are eligible for the use of Form S-3, or any successor form, holders of at least 20% of the shares having demand registration rights may request that we register all or a portion of their common stock for sale under the Securities Act on Form S-3, or any successor form, so long as the aggregate price, net of underwriting discounts and commissions, to the public in connection with any such offering is more than \$1.0 million.

### ***Incidental Registration Rights***

In addition, if at any time after this offering we register any shares of our common stock, the holders of all shares having piggyback registration rights are entitled to notice of the registration and to include all or a portion of their shares of common stock in the registration.

### **Other Provisions**

In the event that any registration in which the holders of registrable shares participate pursuant to the investors' rights agreement is an underwritten public offering, the number of registrable shares to be included may, in specified circumstances, be limited due to market conditions.

We will pay all registration expenses, other than underwriting discounts, selling commissions and stock transfer taxes, and the reasonable fees and expenses of a single special counsel for the selling stockholders, related to any demand, piggyback and Form S-3 registration. The investors' rights agreement contains customary cross-indemnification provisions, pursuant to which we must indemnify the selling stockholders in the event of material misstatements or omissions in the registration statement attributable to us, and they must indemnify us for material misstatements or omissions in the registration statement attributable to them. The demand, piggyback and Form S-3 registration rights described above will expire, with respect to any particular stockholder, upon the earlier of (i) the date when such stockholder can sell all of its registrable shares in a single transaction pursuant to Rule 144 of the Securities Act, (ii) three years after our initial public offering or (iii) a liquidating transaction as defined in our amended and restated certificate of incorporation, as currently in effect.

### **Anti-Takeover Provisions**

#### ***Certificate of Incorporation and Bylaws to be in Effect Immediately Prior to Completion of this Offering***

Our amended and restated certificate of incorporation and amended and restated bylaws, each to become effective immediately prior to the completion of this offering, will include a number of provisions that may deter or impede hostile takeovers or changes of control or management. These provisions include:

- ***Issuance of Undesignated Preferred Stock.*** After the filing of our amended and restated certificate of incorporation, our board of directors will have the authority, without further action by the stockholders, to issue up to 10,000,000 shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock enables our board of directors to make it more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise.

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- **Classified Board.** Our amended and restated certificate of incorporation provides for a classified board of directors consisting of three classes of directors, with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. This provision may have the effect of delaying a change in control of our board.
- **Board of Directors Vacancies.** Our amended and restated certificate of incorporation and amended and restated bylaws authorize only our board of directors to fill vacant directorships. In addition, the number of directors constituting our board of directors may be set only by resolution adopted by a majority vote of our entire board of directors. These provisions prevent a stockholder from increasing the size of our board of directors and gaining control of our board of directors by filling the resulting vacancies with its own nominees.
- **Stockholder Action; Special Meetings of Stockholders.** Our amended and restated certificate of incorporation provides that our stockholders may not take action by written consent, but may only take action at annual or special meetings of our stockholders. Stockholders will not be permitted to cumulate their votes for the election of directors. Our amended and restated certificate of incorporation further provides that only the chairman of our board of directors or a majority of our board of directors may call special meetings of our stockholders.
- **Advance Notice Requirements for Stockholder Proposals and Director Nominations.** Our amended and restated bylaws provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders, or to nominate candidates for election as directors at our annual meeting of stockholders. Our amended and restated bylaws also specify certain requirements as to the form and content of a stockholder's notice. These provisions may make it more difficult for our stockholders to bring matters before our annual meeting of stockholders or to nominate directors at annual meetings of stockholders.

We designed these provisions to enhance the likelihood of continued stability in the composition of our board of directors and its policies, to discourage certain types of transactions that may involve an actual or threatened acquisition of us, and to reduce our vulnerability to an unsolicited acquisition proposal. We also designed these provisions to discourage certain tactics that may be used in proxy fights. However, these provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they may also reduce fluctuations in the market price of our shares that could result from actual or rumored takeover attempts.

### **Section 203 of the Delaware General Corporation Law**

We are subject to Section 203 of the DGCL, which prohibits a Delaware corporation from engaging in a business combination with any interested stockholder for a period of three years following the date the person became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested holder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (a) by persons who are directors and also officers

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and (b) pursuant to employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; and

- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 of the DGCL defines business combination to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 of the DGCL defines an “interested stockholder” as an entity or person who, together with the entity’s or person’s affiliates and associates, beneficially owns, or is an affiliate of the corporation and within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

A Delaware corporation may “opt out” of these provisions with an express provision in its certificate of incorporation. We have not opted out of these provisions, which may as a result, discourage or prevent mergers or other takeover or change of control attempts of us.

### **Choice of Forum**

Our amended and restated certificate of incorporation will provide that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware), the Court of Chancery of the State of Delaware will be the exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action or proceeding commenced by any of our stockholders (including any class action) asserting a breach of fiduciary duty owed, or other wrongdoing, by any director, officer, employee or agent to us or our stockholders, (3) any action or proceeding commenced by any of our stockholders (including any class action) asserting a claim against us arising pursuant to the DGCL or our amended and restated certificate of incorporation or our amended and restated bylaws, (4) any action or proceeding commenced by any of our stockholders (including any class action) to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws, or (5) any action or proceeding commenced by any of our stockholders (including any class action) asserting a claim against us that is governed by the internal affairs doctrine.

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**Transfer Agent and Registrar**

Our transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

**The NASDAQ Global Market**

We have applied to have our common stock approved for listing on the NASDAQ Global Market under the trading symbol “SNDX.”



## SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, no public market for our common stock existed, and a liquid trading market for our common stock may not develop or be sustained after this offering. Future sales of substantial amounts of our common stock in the public market, including shares issued upon exercise of outstanding options and warrants, or the anticipation of such sales, could adversely affect prevailing market prices of our common stock from time to time and could impair our future ability to raise equity capital in the future. Furthermore, because only a limited number of shares of our common stock will be available for sale shortly after this offering due to certain contractual and legal restrictions on resale described below, sales of substantial amounts of our common stock in the public market after such restrictions lapse, or the anticipation of such sales, could adversely affect the prevailing market price of our common stock and our ability to raise equity capital in the future.

Based on the number of shares of common stock outstanding as of September 30, 2015 (including 20,274 shares of unvested restricted stock subject to repurchase by us), upon completion of this offering, \_\_\_\_\_ shares of our common stock will be outstanding. The number of shares outstanding upon completion of this offering assumes no exercise of outstanding options or the Bayer Warrant, and no exercise of the underwriters' over-allotment option.

All of the shares sold in this offering will be freely tradable unless purchased by our affiliates. The remaining \_\_\_\_\_ shares of common stock outstanding after this offering will be restricted as a result of securities laws or lock-up agreements as described below. Following the expiration of the lock-up period, all shares will be eligible for resale, subject to compliance with Rule 144 or Rule 701 of the Securities Act to the extent these shares have been released from any repurchase option that we may hold.

We may issue shares of common stock from time to time as consideration for future acquisitions, investments or other corporate purposes. In the event that any such acquisition, investment or other transaction is significant, the number of shares of common stock that we may issue may in turn be significant. We may also grant registration rights covering those shares of common stock issued in connection with any such acquisition and investment.

In addition, \_\_\_\_\_ shares of common stock that are either subject to outstanding options or warrants or reserved for future issuance under our equity incentive plans will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules, the lock-up agreements and Rule 144 and Rule 701 of the Securities Act.

### Rule 144

In general, under Rule 144 of the Securities Act, as in effect on the date of this prospectus, beginning 90 days after the date of this prospectus, any person who is not our affiliate at any time during the preceding three months, and who has beneficially owned their shares for at least six months, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell an unlimited number of shares of our common stock provided current public information about us is available, and, after owning such shares for at least one year, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell an unlimited number of shares of our common stock without restriction.

Beginning 90 days after the date of this prospectus, a person who is our affiliate or who was our affiliate at any time during the preceding three months, and who has beneficially owned restricted

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securities for at least six months, including the holding period of any prior owner other than one of our affiliates, is entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately            shares, or            shares if the underwriters exercise their over-allotment option in full, immediately following this offering, based on the number of shares of our common stock outstanding upon completion of this offering; or
- the average weekly trading volume of our common stock on the NASDAQ Global Market during the four calendar weeks preceding the filing of a Notice of Proposed Sale of Securities pursuant to Rule 144 with respect to the sale.

Sales under Rule 144 by our affiliates are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

Upon expiration of the 180-day lock-up period described below,            shares of our common stock will be eligible for sale under Rule 144. We cannot estimate the number of shares of our common stock that our existing stockholders will elect to sell under Rule 144.

### **Rule 701**

In general, under Rule 701 of the Securities Act, any of an issuer's employees, directors, officers, consultants or advisors who purchases shares from the issuer in connection with a compensatory stock or option plan or other written agreement before the effective date of a registration statement under the Securities Act, is entitled to sell such shares 90 days after such effective date in reliance on Rule 144. An affiliate of the issuer can resell shares in reliance on Rule 144 without having to comply with the holding period requirement, and non-affiliates of the issuer can resell shares in reliance on Rule 144 without having to comply with the current public information and holding period requirements.

### **Lock-Up Agreements**

We, along with our directors and executive officers and substantially all of our other stockholders have agreed with the underwriters that, for a period of 180 days following the date of this prospectus, we or they will not offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any shares of our common stock (including any shares issued in this offering or other issuer-directed shares), or any options or warrants to purchase any shares of our common stock, or any securities convertible into, exchangeable for or that represent the right to receive shares of our common stock, whether now owned or later acquired, owned directly or with respect to which we or they have beneficial ownership within the rules and regulations of the SEC, subject to specified exceptions. The underwriters may, in their sole discretion, at any time without prior notice, release all or any portion of the shares from the restrictions in any such agreement.

### **Equity Incentive Plans**

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of common stock subject to outstanding stock options and common stock issuable under our equity incentive plans. We expect to file the registration statement covering such shares shortly after the date of this prospectus, permitting the resale of such shares by non-affiliates in the

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public market without restriction under the Securities Act and the sale by affiliates in the public market, subject to compliance with the resale provisions of Rule 144. For more information on our equity incentive plans, see the section titled “Executive and Director Compensation—Equity Benefit Plans.”

**Registration Rights**

Holders of \_\_\_\_\_ shares of our convertible preferred stock, common stock, and common stock issuable upon exercise of the Bayer Warrant, have the right to demand that we file a registration statement or request that we cover their shares by a registration statement that we otherwise file. For more information, see the section titled “Description of Capital Stock—Registration Rights.” Except for shares purchased by affiliates, registration of their shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration statement, subject to the expiration of the lock-up period and to the extent these shares have been released from any repurchase option that we may hold.

## **MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS**

The following summary describes the material U.S. federal income tax consequences of the acquisition, ownership and disposition of our common stock acquired in this offering by Non-U.S. Holders (as defined below). This discussion does not address all aspects of U.S. federal income taxes and does not deal with foreign, state and local consequences that may be relevant to Non-U.S. Holders in light of their particular circumstances, nor does it address U.S. federal tax consequences other than income taxes and estate taxes to the limited extent set forth below. Special rules different from those described below may apply to certain Non-U.S. Holders that are subject to special treatment under the Code such as financial institutions, insurance companies, tax-exempt organizations, broker-dealers and traders in securities, U.S. expatriates, “controlled foreign corporations,” “passive foreign investment companies,” corporations that accumulate earnings to avoid U.S. federal income tax, persons that hold our common stock as part of a “straddle,” “hedge,” “conversion transaction,” “synthetic security” or integrated investment or other risk reduction strategy, partnerships and other pass-through entities, and investors in such pass-through entities. Such Non-U.S. Holders are urged to consult their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them. Furthermore, the discussion below is based upon the provisions of the Code, and Treasury regulations, rulings and judicial decisions thereunder as of the date hereof, and such authorities may be repealed, revoked or modified, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the U.S. Internal Revenue Service, or IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions. This discussion assumes that the Non-U.S. Holder holds our common stock as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment).

The following discussion is for general information only and is not tax advice to any investor in light of their particular circumstances. Persons considering the purchase of our common stock pursuant to this offering should consult their own tax advisors concerning the U.S. federal income and estate tax consequences of acquiring, owning and disposing of our common stock in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction, including any state, local or foreign tax consequences.

For the purposes of this discussion, a “Non-U.S. Holder” is, for U.S. federal income tax purposes, a beneficial owner of common stock that is neither a U.S. Holder, a partnership (or other entity treated as a partnership for U.S. federal income tax purposes regardless of its place of organization or formation), nor an entity that is treated as a disregarded entity for U.S. federal income tax purposes (regardless of its place of organization or formation). A “U.S. Holder” means a beneficial owner of our common stock that is for U.S. federal income tax purposes (a) an individual who is a citizen or resident of the United States, (b) a corporation or other entity treated as a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (d) a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

### **Distributions**

Subject to the discussion below, distributions, if any, made on our common stock to a Non-U.S. Holder of our common stock to the extent made out of our current or accumulated earnings and profits

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(as determined under U.S. federal income tax principles) generally will constitute dividends for U.S. tax purposes and will be subject to withholding tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. To obtain a reduced rate of withholding under a treaty, a Non-U.S. Holder generally will be required to provide us with a properly executed IRS Form W-8BEN or W-8BEN-E, or other appropriate form, certifying the Non-U.S. Holder's entitlement to benefits under that treaty. In the case of a Non-U.S. Holder that is an entity, Treasury regulations and the relevant tax treaty provide rules to determine whether, for purposes of determining the applicability of a tax treaty, dividends will be treated as paid to the entity or to those holding an interest in that entity. If a Non-U.S. Holder holds stock through a financial institution or other agent acting on the holder's behalf, the holder will be required to provide appropriate documentation to such agent. The holder's agent will then be required to provide certification to us or our paying agent, either directly or through other intermediaries. If a Non-U.S. Holder is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty, the Non-U.S. Holder should contact its tax advisor regarding the possibility of obtaining a refund or credit of any excess amounts withheld by timely filing an appropriate claim for a refund with the IRS.

We generally are not required to withhold tax on dividends paid to a Non-U.S. Holder that are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment that such holder maintains in the United States) if a properly executed IRS Form W-8ECI, stating that the dividends are so connected, is furnished to us (or, if stock is held through a financial institution or other agent, to such agent). In general, such effectively connected dividends will be subject to U.S. federal income tax, on a net income basis at the regular graduated rates, unless a specific treaty exemption applies. A corporate Non-U.S. Holder receiving effectively connected dividends may also be subject to an additional "branch profits tax," which is imposed, under certain circumstances, at a rate of 30% (or such lower rate as may be specified by an applicable treaty) on the corporate Non-U.S. Holder's effectively connected earnings and profits, subject to certain adjustments.

To the extent distributions on our common stock, if any, exceed our current and accumulated earnings and profits, they will constitute a non-taxable return of capital and will first reduce the Non-U.S. Holder's adjusted basis in our common stock, but not below zero, and then will be treated as gain and taxed in the same manner as gain realized from a sale or other disposition of common stock as described in the next section.

For additional withholding rules that may apply to dividends paid to certain foreign entities, see the discussion below under the heading "Legislation Affecting Taxation of Our Common Stock Held by or Through Foreign Entities."

### **Gain on Disposition of Our Common Stock**

Subject to the discussion below, a Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to gain realized on a sale or other disposition of our common stock unless (a) the gain is effectively connected with a trade or business of such holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment that such holder maintains in the United States), (b) the Non-U.S. Holder is a nonresident alien individual and is present in the United States for 183 or more days in the taxable year of the disposition and certain other conditions are met, or (c) we are or have been a "United States real property holding corporation" within the meaning of Code Section 897(c)(2) at any time within the shorter of the five-year period

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preceding such disposition or such holder's holding period. In general, we would be a United States real property holding corporation if interests in U.S. real estate comprised (by fair market value) at least half of our business assets. We believe that we are not, and do not anticipate becoming, a United States real property holding corporation. Even if we are treated as a United States real property holding corporation, gain realized by a Non-U.S. Holder on a disposition of our common stock will not be subject to U.S. federal income tax so long as (1) the Non-U.S. Holder owned, directly, indirectly and constructively, no more than 5% of our common stock at all times within the shorter of (i) the five-year period preceding the disposition or (ii) the holder's holding period and (2) our common stock is regularly traded on an established securities market. There can be no assurance that our common stock will qualify as regularly traded on an established securities market.

If you are a Non-U.S. Holder described in (a) above, you will be required to pay tax on the net gain derived from the sale at regular graduated U.S. federal income tax rates, unless a specific treaty exemption applies, and corporate Non-U.S. Holders described in (a) above may be subject to the additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. If you are an individual Non-U.S. Holder described in (b) above, you will be required to pay a flat 30% tax on the gain derived from the sale, which gain may be offset by U.S. source capital losses (even though you are not considered a resident of the United States).

### **Information Reporting Requirements and Backup Withholding**

Generally, we must report information to the IRS with respect to any dividends we pay on our common stock including the amount of any such dividends, the name and address of the recipient, and the amount, if any, of tax withheld. A similar report is sent to the holder to whom any such dividends are paid. Pursuant to tax treaties or certain other agreements, the IRS may make its reports available to tax authorities in the recipient's country of residence.

Dividends paid by us (or our paying agents) to a Non-U.S. Holder may also be subject to U.S. backup withholding. U.S. backup withholding generally will not apply to a Non-U.S. Holder who provides a properly executed IRS Form W-8BEN or W-8BEN-E or otherwise establishes an exemption. The current backup withholding rate is 28%.

Under current U.S. federal income tax law, U.S. information reporting and backup withholding requirements generally will apply to the proceeds of a disposition of our common stock effected by or through a U.S. office of any broker, U.S. or foreign, except that information reporting and such requirements may be avoided if the holder provides a properly executed IRS Form W-8BEN or W-8BEN-E or otherwise meets documentary evidence requirements for establishing Non-U.S. Holder status or otherwise establishes an exemption. Generally, U.S. information reporting and backup withholding requirements will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected outside the United States through a non-U.S. office of a non-U.S. broker. Information reporting and backup withholding requirements may, however, apply to a payment of disposition proceeds if the broker has actual knowledge, or reason to know, that the holder is, in fact, a U.S. person. For information reporting purposes, certain brokers with substantial U.S. ownership or operations will generally be treated in a manner similar to U.S. brokers.

Backup withholding is not an additional tax. A holder subject to backup withholding should contact the holder's tax advisor regarding the possibility of obtaining a refund or a tax credit and any associated requirements to provide information to the IRS or other relevant tax authority.

## **Legislation Affecting Taxation of Our Common Stock Held by or Through Foreign Entities**

The Foreign Account Tax Compliance Act, or FATCA, which was enacted in 2010, imposes a 30% withholding tax on certain types of payments made to “foreign financial institutions” and certain other non-U.S. entities unless certain due diligence, reporting, withholding, and certification requirements are satisfied.

As a general matter, FATCA imposes a 30% withholding tax on dividends on, and gross proceeds from the sale or other disposition of, our common stock if paid to a foreign entity unless either (i) the foreign entity is a “foreign financial institution” that undertakes certain due diligence, reporting, withholding, and certification obligations, (ii) the foreign entity is not a “foreign financial institution” and identifies certain of its U.S. investors, or (iii) the foreign entity otherwise is exempted under FATCA.

Pursuant to the delayed effective dates provided for in the final regulations, the required withholding with respect to dividends on our common stock began on July 1, 2014 and the required withholding with respect to gross proceeds from a sale or other disposition of our common stock will begin on January 1, 2017.

If withholding is required under FATCA on a payment related to our common stock, investors that otherwise would not be subject to withholding (or that otherwise would be entitled to a reduced rate of withholding) generally will be required to seek a refund or credit from the IRS to obtain the benefit of such exemption or reduction (provided that such benefit is available). Prospective investors should consult their tax advisors regarding the effect of FATCA in their particular circumstances.

## **Federal Estate Tax**

An individual Non-U.S. Holder who is treated as the owner of, or has made certain lifetime transfers of, an interest in our common stock will be required to include the value thereof in his or her gross estate for U.S. federal estate tax purposes, and may be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise, even though such individual was not a citizen or resident of the United States at the time of his or her death.

THE PRECEDING DISCUSSION OF U.S. FEDERAL INCOME AND ESTATE TAX CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY. IT IS NOT TAX ADVICE TO ANY INVESTOR IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAW.

**UNDERWRITING**

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC and Citigroup Global Markets Inc. are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

<u>Name</u>	<u>Number of Shares</u>
Morgan Stanley & Co. LLC	
Citigroup Global Markets Inc.	
JMP Securities LLC	
Oppenheimer & Co. Inc.	
Total	

The underwriters and the representatives are collectively referred to as the “underwriters” and the “representatives,” respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters’ over-allotment option described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to \_\_\_\_\_ additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter’s name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters’ option to purchase up to an additional \_\_\_\_\_ shares of common stock.

	<u>Per Share</u>	<u>Total</u>	
		<u>No Exercise</u>	<u>Full Exercise</u>
Public offering price	\$	\$	\$
Underwriting discounts and commissions to be paid by us:	\$	\$	\$
Proceeds, before expenses, to us	\$	\$	\$



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The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately \$ . We have agreed to reimburse the underwriters for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority, Inc. up to \$25,000.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

We have applied to have our common stock listed for quotation on the NASDAQ Global Market under the trading symbol “SNDX.”

We and all directors and officers and the holders of substantially all of our outstanding stock, stock options and warrants have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Citigroup Global Markets Inc., on behalf of the underwriters, we and they will not, during the period until and including the 180th day after the date of this prospectus (the “restricted period”), directly or indirectly, offer, sell, pledge, contract to sell (including any short sale), grant any option to purchase or otherwise transfer or dispose of any shares of our common stock (including, without limitation, shares of common stock which may be deemed to be beneficially owned currently or hereafter in accordance with the rules and regulations of the SEC, shares of common stock which may be issued upon exercise of a stock option or warrant and any other security convertible into or exchangeable for common stock), enter into any short sale or any purchase, sale or grant of any right (including, without limitation, any put or call option) with respect to any security (other than a broad-based market basket or index) that includes, relates to or derives any significant part of its value from our common stock, or publicly announce any intention to do so.

The restrictions described in the immediately preceding paragraph do not apply to us (i) to the extent that any such actions give effect to the transactions contemplated by the underwriting agreement for this offering, (ii) if we issue shares pursuant to the exercise of warrants outstanding as of the date of this prospectus and described in the registration statement and prospectus, but only if the holders of such shares or warrants agree in writing with the underwriters not to sell, offer, dispose of or otherwise transfer any such shares or warrants during the restricted period, (iii) if we issue shares or options to purchase shares, or issue shares upon exercise of options, pursuant to any stock option, stock bonus or other stock plan or arrangement described in the registration statement or prospectus, but only if the holders of such shares or options agree in writing with the underwriters not to sell, offer, dispose of or otherwise transfer any such shares or options during the restricted period and (iv) issue shares or any options or warrants or other rights to acquire shares or any securities exchangeable or exercisable for or convertible into shares (“Related Securities”), or to acquire other securities or rights ultimately exchangeable or exercisable for, or convertible into, shares in connection with a licensing arrangement, joint venture, acquisition or business combination or other collaboration or strategic transaction; *provided that*, in the case of clause (iv), recipients of such shares or Related Securities agree to be bound by the terms of the lock-up agreement and the sum of the aggregate number of shares or Related Securities so issued does not exceed 5% of the total outstanding shares of our common stock.

The restrictions described in the second preceding paragraph do not apply, in the case of our directors, officers and shareholders, to:

- (a) the transfer of any or all of the shares of common stock or other securities if the transfer does not trigger any filing or reporting requirement or obligation or result in any other voluntary

or mandatory public disclosure under Section 16(a) of the Exchange Act, and the transfer is: (i) by gift, will or intestacy; (ii) to a trust whose beneficiaries consist exclusively such security holder or the family members of such security holder; (iii) a distribution to partners, members or shareholders of such security holder, or to any corporation, partnership or limited liability company that is an affiliate (within the meaning set forth in Rule 405 as promulgated by the SEC under the Securities Act) of such security holder; or (iv) to us upon the exercise of options to cover tax withholding obligations in connection with such exercise or for the primary purpose of paying the exercise price of options to acquire shares of common stock in each case pursuant to a stock option, stock bonus or other stock plan or arrangement existing as of the date of this prospectus and any shares acquired shall remain subject to the lock-up agreement; *provided*, that the transferee executes an agreement stating that the transferee is receiving and holding the securities subject to the provisions of the lock-up agreement;

- (b) entering into any plan designed to satisfy the requirements of Rule 10b5-1 under the Exchange Act (other than the entry into such a plan in such a manner as to allow the sale of shares of common stock or other securities, in each case, within the restricted period); *provided however*, no public announcement or filing under the Exchange Act regarding the establishment of such 10b5-1 Plan shall be required or made during the restricted period; or
- (c) (i) exercising any options, warrants or other rights to purchase shares of common stock pursuant to any stock option, stock bonus or other stock plan or any other arrangement existing as of the date of this prospectus (which exercises may be effected on a cashless basis to the extent the instruments representing such options, warrants or other rights permit exercises on a cashless basis) or (ii) the grant by us of stock options or other stock-based awards pursuant to any stock option, stock bonus or other stock plan or arrangement existing as of the date of this prospectus; *provided, however*, that in any such case, any shares of common stock or other securities acquired remain subject to the lock-up agreement, and *provided further*, that in the case of clause (i), such exercise does not trigger any filing or reporting requirement or obligation or result in any other voluntary or mandatory public disclosure under Section 16(a) of the Exchange Act during the restricted period.

Morgan Stanley & Co. LLC and Citigroup Global Markets Inc., in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of

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common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

### **Pricing of the Offering**

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our current and prospective revenue and earnings, and certain other current and prospective financial and operating information, and the current and prospective price-earnings ratios, price-revenue ratios and market prices of securities, and certain current and prospective financial and operating information with respect to, companies engaged in activities similar to ours.

### **Other Relationships**

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to our assets, securities and instruments (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

## **Selling Restrictions**

### ***European Economic Area***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

### ***United Kingdom***

Each underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

## LEGAL MATTERS

The validity of the shares of our common stock to be issued in this offering will be passed upon for us by our counsel, Hogan Lovells US LLP, Menlo Park, California. Certain legal matters relating to this offering will be passed upon for the underwriters by Cooley LLP, New York, New York.

## EXPERTS

The consolidated financial statements as of December 31, 2013 and 2014, and for the years then ended, included in this prospectus, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein and elsewhere in the registration statement. Such consolidated financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

## WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of our common stock offered by this prospectus. This prospectus, which constitutes part of that registration statement, does not contain all of the information set forth in the registration statement or the accompanying exhibits and schedules. Some items included in the registration statement are omitted from this prospectus in accordance with the rules and regulations of the SEC. For further information with respect to us and the common stock offered in this prospectus, we refer you to the registration statement and the accompanying exhibits and schedules. Statements contained in this prospectus regarding the contents of any contract, agreement or any other document are summaries of the material terms of these contracts, agreements or other documents. With respect to each of these contracts, agreements or other documents filed as an exhibit to the registration statement, reference is made to such exhibit for a more complete description of the matter involved.

A copy of the registration statement and the accompanying exhibits and schedules and any other document we file may be inspected without charge and copied at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the SEC's website is <http://www.sec.gov>.

Upon completion of this offering, we will become subject to the information and periodic reporting requirements of the Exchange Act, and we will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the public reference room and website of the SEC referred to above. We maintain a website at <http://www.syndax.com>. You may access our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports, proxy statements and other information filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act with the SEC free of charge at our website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The information contained in, or that can be accessed through, our website is not part of this prospectus.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Stockholders of  
Syndax Pharmaceuticals, Inc.  
Waltham, Massachusetts

We have audited the accompanying consolidated balance sheets of Syndax Pharmaceuticals, Inc. and its subsidiaries (the "Company") as of December 31, 2013 and 2014, and the related consolidated statements of operations and comprehensive loss, convertible preferred stock and stockholders' deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Syndax Pharmaceuticals, Inc. and subsidiaries as of December 31, 2013 and 2014, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Boston, Massachusetts  
August 24, 2015

**SYNDAX PHARMACEUTICALS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
*(In thousands, except share and per share data)*

	<u>December 31,</u> <u>2013</u>	<u>December 31,</u> <u>2014</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 10,104	\$ 10,009
Restricted cash	50	51
Short-term investments	4,022	2,082
Short-term deposits	138	117
Prepaid expenses and other current assets	230	185
Total current assets	14,544	12,444
Property and equipment, net	40	33
Other assets	2,477	339
Total assets	<u>\$ 17,061</u>	<u>\$ 12,816</u>
<b>LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Current portion of long-term debt	\$ –	\$ 1,449
Convertible notes	–	5,000
Accounts payable	1,077	354
Accrued expenses and other current liabilities	1,653	3,543
Total current liabilities	2,730	10,346
Long-term liabilities:		
Long-term debt, less current portion	–	7,435
Common stock warrant liability	2,482	693
Other long-term liabilities	–	58
Total long-term liabilities	2,482	8,186
Total liabilities	5,212	18,532
Commitments (Note 14)		
Convertible preferred stock (Note 9)	140,324	146,853
Stockholders' deficit:		
Series A convertible preferred stock, \$0.001 par value, 4,390,243 shares authorized at December 31, 2013 and 2014; 875,545 shares issued and outstanding at December 31, 2013 and 2014	7,231	7,231
Common stock, \$0.0001 par value, 9,837,398 and 12,000,000 shares authorized at December 31, 2013 and 2014, respectively; 70,722 and 73,152 shares issued and outstanding at December 31, 2013 and 2014, respectively	1	1
Accumulated deficit	(135,707)	(159,801)
Total stockholders' deficit	(128,475)	(152,569)
Total liabilities, convertible preferred stock and stockholders' deficit	<u>\$ 17,061</u>	<u>\$ 12,816</u>

The accompanying notes are an integral part of these consolidated financial statements.



**SYNDAX PHARMACEUTICALS, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
*(In thousands, except share and per share data)*

	<b>Years Ended December 31,</b>	
	<b>2013</b>	<b>2014</b>
Operating expenses:		
Research and development	\$ 3,208	\$ 10,175
General and administrative	5,363	11,157
Total operating expenses	8,571	21,332
Other (expense) income:		
Interest income (expense), net	(771)	(289)
Change in fair value of common stock warrant liability	(1,943)	1,789
Change in fair value of convertible preferred stock warrant liability	128	–
Change in fair value of tranche liability	(3,144)	–
Other income	130	4
Total other (expense) income	(5,600)	1,504
Net loss and comprehensive loss	(14,171)	(19,828)
Convertible preferred stock preferences and convertible extinguishments (Note 2)	(46,283)	(6,529)
Net loss attributable to common stockholders	<u>\$ (60,454)</u>	<u>\$ (26,357)</u>
Net loss per share attributable to common stockholders—basic and diluted	<u><u>\$ (1,139.14)</u></u>	<u><u>\$ (362.38)</u></u>
Weighted-average common shares outstanding—basic and diluted	<u>53,070</u>	<u>72,733</u>
Pro forma net loss per share attributable to common stockholders—basic and diluted (unaudited)		<u><u>\$ (2.69)</u></u>
Pro forma weighted-average common shares used in net loss per share applicable to common stockholders—basic and diluted (unaudited)		<u><u>8,007,439</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

**SYNDAX PHARMACEUTICALS, INC.**

**CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT**

*(In thousands, except share and per share data)*

	Convertible Preferred Stock \$0.001 Par Value		Series A Convertible Preferred Stock \$0.001 Par Value		Common Stock \$0.0001 Par Value		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
BALANCE—DECEMBER 31, 2012	437,773	\$ 49,000	—	\$ —	50,397	\$ —	\$ 766	\$ (79,054)	\$ (78,288)
Conversion of Series A convertible preferred stock into Series A-1 convertible preferred stock and cancellation of warrants pursuant to the recapitalization (Note 10)	3,939,957	(2,746)	—	—	—	—	4,433	—	4,433
Conversion of convertible notes and accrued interest into Series B-1 convertible preferred stock and cancellation of warrants and forced conversion into Series B convertible preferred stock pursuant to the recapitalization (Note 10)	1,753,850	18,702	—	—	—	—	4,425	—	4,425
Issuance of Series B-1 convertible preferred stock:									
In March 2013, net of offering costs of \$626 and tranche obligation of \$206	118,370	493	—	—	—	—	—	—	—
In April 2013	98,268	1,100	—	—	—	—	—	—	—
In July 2013, net of tranche obligation of \$754 and beneficial conversion feature of \$452	223,353	1,294	—	—	—	—	—	—	—
In August 2013, net of offering costs of \$365 and tranche obligation of \$1,964 and beneficial conversion feature of \$842	605,280	3,604	—	—	—	—	(787)	—	(787)
In November 2013, including \$7,008 de-recognition of remaining tranche obligation	1,331,180	21,908	—	—	—	—	—	—	—

The accompanying notes are an integral part of these consolidated financial statements.

**SYNDAX PHARMACEUTICALS, INC.**  
**CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND**  
**STOCKHOLDERS' DEFICIT**  
**(CONTINUED)**

*(In thousands, except share and per share data)*

	Convertible Preferred Stock \$0.001 Par Value		Series A Convertible Preferred Stock \$0.001 Par Value		Common Stock \$0.0001 Par Value		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Beneficial conversion feature in Series B-1 convertible preferred stock	-	-	-	-	-	-	1,295	-	1,295
Forced conversion of Series A-1 convertible preferred into Series A convertible preferred stock	(875,545)	(7,231)	875,545	7,231	-	-	-	-	7,231
Extinguishment and modification of convertible preferred stock (Note 10)	-	32,366	-	-	-	-	(6,968)	(25,552)	(32,520)
Accretion of convertible preferred stock to redemption value	-	17,875	-	-	-	-	(2,609)	(15,266)	(17,875)
Accretion for convertible preferred stock dividends	-	3,959	-	-	-	-	(2,295)	(1,664)	(3,959)
Stock-based compensation expense	-	-	-	-	-	-	1,415	-	1,415
Issuance of common stock as consideration for license fees	-	-	-	-	20,325	1	325	-	326
Net loss and comprehensive loss	-	-	-	-	-	-	-	(14,171)	(14,171)
<b>BALANCE—December 31, 2013</b>	<b>7,632,486</b>	<b>140,324</b>	<b>875,545</b>	<b>7,231</b>	<b>70,722</b>	<b>1</b>	<b>-</b>	<b>(135,707)</b>	<b>(128,475)</b>
Exercise of stock options	-	-	-	-	2,430	-	6	-	6
Accretion for convertible preferred stock dividends	-	6,529	-	-	-	-	(2,263)	(4,266)	(6,529)
Stock-based compensation expense	-	-	-	-	-	-	2,257	-	2,257
Net loss and comprehensive loss	-	-	-	-	-	-	-	(19,828)	(19,828)
<b>BALANCE—December 31, 2014</b>	<b>7,632,486</b>	<b>\$146,853</b>	<b>875,545</b>	<b>\$ 7,231</b>	<b>73,152</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ (159,801)</b>	<b>\$ (152,569)</b>

The accompanying notes are an integral part of these consolidated financial statements.

**SYNDAX PHARMACEUTICALS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(In thousands)*

	<b>Years Ended December 31,</b>	
	<b>2013</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (14,171)	\$ (19,828)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	13	15
Stock-based compensation	1,415	2,257
Noncash research and development expense	326	–
Change in fair value of derivative	3,144	(4)
Change in fair value of warrants	1,815	(1,789)
Write-off of deferred costs associated with postponed IPO	–	4,319
Gain recognized on extinguishment of common stock warrants	(133)	–
Amortization of debt discount	–	26
Amortization of debt issuance and deferred financing costs	260	14
Amortization and accretion of investments	–	46
Loss on sale of property and equipment	5	–
Changes in operating assets and liabilities:		
Short-term deposits	(77)	51
Prepaid expenses and other assets	(204)	13
Accounts payable	(286)	(726)
Accrued expenses and other liabilities	598	1,213
Net cash used in operating activities	<u>(7,295)</u>	<u>(14,393)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(38)	(4)
Decrease (increase) in restricted cash	33	(1)
Purchases of short-term investments	(4,022)	(3,393)
Proceeds from sales and maturities of short-term investments	–	5,286
Net cash (used in) provided by investing activities	<u>(4,027)</u>	<u>1,888</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on capital lease obligation	(1)	(2)
Proceeds from issuance of common stock	–	6
Proceeds from issuance of convertible preferred stock, net	26,116	–
Proceeds from issuance of debt	745	14,000
Deferred issuance costs	(1,549)	(1,594)
Payments on term loan	(4,422)	–
Net cash provided by financing activities	<u>20,889</u>	<u>12,410</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>9,567</b>	<b>(95)</b>
CASH AND CASH EQUIVALENTS—beginning of year	537	10,104
CASH AND CASH EQUIVALENTS—end of year	<u>\$ 10,104</u>	<u>\$ 10,009</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Interest paid	\$ 257	\$ 170
<b>SUPPLEMENTAL DISCLOSURES OF NONCASH FINANCING ACTIVITIES:</b>		
Conversion of Series A convertible preferred stock into Series A-1 convertible preferred stock and cancellation of warrants with fair value of \$1,686 pursuant to recapitalization (Note 10)	\$ 4,433	\$ –
Conversion of convertible notes and accrued interest into Series B-1 convertible preferred stock and cancellation of warrants with fair value of \$3,341 and forced conversion into Series B convertible preferred stock pursuant to recapitalization (Note 10)	\$ 23,127	\$ –
Extinguishment and modification of convertible preferred stock (Note 10)	\$ 32,520	\$ –
Accretion of convertible preferred stock to redemption value	\$ 17,875	\$ –
Accretion of dividends on convertible preferred stock	\$ 3,959	\$ 6,529
Term loan proceeds allocated to derivative liability	\$ –	\$ 130
Recognition and de-recognition of tranche liability	\$ (3,144)	\$ –
Equipment purchased under capital lease obligations	\$ 13	\$ –
Property and equipment purchases included in accounts payable	\$ –	\$ 3
Deferred issuance costs included in accounts payable and accrued expenses	\$ 910	\$ 614

The accompanying notes are an integral part of these consolidated financial statements.

SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1. Nature of Business and Summary of Significant Accounting Policies**

**Nature of Business** – Syndax Pharmaceuticals, Inc. (the “Company”) is a clinical stage biopharmaceutical company developing entinostat as a combination therapy in multiple cancer indications with an initial focus on tumors that have shown sensitivity to immunotherapy, including lung cancer, melanoma and triple negative breast cancer. The Company was incorporated under the laws of the State of Delaware on October 11, 2005 (date of inception) and is headquartered in Waltham, Massachusetts.

**Basis of Presentation** – The Company has prepared the accompanying consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the ordinary course of business. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

**Management’s Plans** – Since its inception, the Company has devoted its efforts principally to research and development and raising capital. The Company is subject to risks common to companies in the development stage, including, but not limited to, successful development of therapeutics, obtaining additional funding, protection of proprietary therapeutics, compliance with government regulations, fluctuations in operating results, dependence on key personnel and collaborative partners, and risks associated with industry changes. The Company has financed its operations to date primarily with the proceeds from the sale of convertible preferred stock and the issuance of notes payable.

The Company’s long-term success is dependent upon its ability to successfully develop and market entinostat, earn revenue, obtain additional capital when needed, and ultimately, achieve profitable operations. The Company anticipates that it will be several years before entinostat is approved and the Company begins to generate revenue from sales of entinostat; accordingly, management fully expects to incur substantial losses on the ongoing development of entinostat and does not expect to achieve positive cash flow from operations for the foreseeable future. As a result, the Company will continue to require additional capital to move forward with its business plan. While certain amounts of this additional capital were raised in the past, there can be no assurance that funds necessary beyond these amounts will be available in amounts or on terms sufficient to ensure ongoing operations.

During 2014, the Company expanded its headcount and initiated clinical trials, which has increased its spending. In the first quarter of 2015, the Company received \$25.0 million of funding and non-refundable license fees through a license agreement with Kyowa Hakko Kirin Co., Ltd. (see Note 3). In the second quarter of 2015, the Company closed its Series C-1 Convertible Preferred Stock (“Series C-1”) financing and received proceeds of \$18.5 million, net of offering costs of \$0.2 million (see Note 9). In August 2015, the Company issued additional shares of Series C-1 for gross proceeds of \$61.3 million. The Company’s management believes that the December 31, 2014 cash and short-term investments balances together with the \$25.0 million from the Company’s license agreement with KHK and the \$80.0 million from the Series C-1 financings should enable the Company to maintain its current and essential planned operations for at least the next 12 months. The Company’s ability to fund all of its planned operations internally beyond that date, including the completion of its ongoing and planned clinical trial activities may be substantially dependent upon whether the Company can obtain sufficient funding at terms acceptable to the Company. Proceeds from additional capital transactions would allow the Company to accelerate and/or expand its planned research and development activities. In the event that sufficient funds were not available, the Company may be required to delay or reduce expenditures to conserve cash, which could involve scaling back or curtailing development and general and administrative activities.

SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Reverse Stock Split** – The Board of Directors (the “Board”) and the stockholders of the Company approved a 1-for-10 reverse stock split of the Company’s common stock and convertible preferred stock, which was effected on November 18, 2013; and on June 3, 2014, the Board and the stockholders of the Company approved a 1-for-12.3 reverse stock split of the Company’s outstanding common stock and convertible preferred stock, which was effected on June 3, 2014. Stockholders entitled to fractional shares as a result of the reverse stock split will receive a cash payment in lieu of receiving fractional shares. All of the Company’s historical share and per share information shown in the accompanying financial statements and related notes have been retroactively adjusted to give effect to these reverse stock splits.

**Principles of Consolidation** – In 2011, the Company established a wholly owned subsidiary in the United Kingdom. There have been no activities for this entity to date. In 2014, the Company established Syndax Securities Corporation. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

**Use of Estimates** – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of costs and expenses during the reporting period. The Company bases estimates and assumptions on historical experience when available and on various factors that it believes to be reasonable under the circumstances. The Company evaluates its estimates and assumptions on an ongoing basis. The Company’s actual results may differ from these estimates under different assumptions or conditions.

**Cash Equivalents** – Cash equivalents include all highly liquid investments maturing within 90 days or less from the date of purchase. Cash equivalents include money market funds, corporate debt securities, and U.S. government agency notes.

**Restricted Cash** – The Company classifies as restricted cash all cash pledged as collateral to secure long-term obligations and all cash whose use is otherwise limited by contractual provisions. Amounts are reported as non-current unless restrictions are expected to be released in the next 12 months. As of December 31, 2013 and 2014, restricted cash represents a security interest in a short-term certificate of deposit account held by the financial institution issuing the Company’s credit cards, in accordance with the credit card agreement.

**Short-Term Investments** – Investments in marketable securities with maturities of less than one year or where management’s intent is to use the investments to fund current operations or to make them available for current operations. All investments in marketable securities are classified as available-for-sale and are reported at fair value with unrealized gains and losses excluded from earnings and reported net of tax in accumulated other comprehensive loss, which is a component of stockholders’ deficit. Unrealized losses that are determined to be other-than-temporary, based on current and expected market conditions, are recognized in earnings. Declines in fair value determined to be credit related are charged to earnings. The cost of marketable securities sold is determined by the specific identification method. Investments with remaining maturities or that are due within one year from the balance sheet date are classified as current.

**Segment Reporting** – Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker in making decisions regarding resource allocation and assessing performance. The Company has one operating segment.

SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Other Assets** – Other assets consist of deferred issuance costs and long-term security deposits. Deferred issuance costs consist primarily of direct incremental legal and accounting fees relating to the Company’s initial public offering (“IPO”) and issuance of debt. As of December 31, 2013 and 2014, the Company had capitalized deferred IPO issuance costs of \$2.4 million and \$0, respectively. In September 2014, the Company determined that it was likely its IPO would be postponed for a period in excess of 90 days. As a result, in accordance with the Securities and Exchange Commission guidance in Staff Accounting Bulletin Topic 5-A, *Expenses of Offering*, the Company expensed as general and administrative expenses previously deferred IPO costs of \$4.3 million associated with its registration statement on Form S-1. The deferred debt issuance costs are related to the Company’s term loans and convertible notes and will be amortized as interest expense over the period that the related debts are outstanding. As of December 31, 2013 and 2014, the Company had capitalized debt issuance costs of \$0 and \$0.3 million, respectively.

**Concentrations of Credit Risk** – Cash and cash equivalents, restricted cash, and short-term investments are financial instruments that potentially subject the Company to concentrations of credit risk. Substantially all of the Company’s cash, cash equivalents, and short-term investments were deposited in accounts at two financial institutions, and at times, such deposits may exceed federally insured limits. The Company has not experienced any losses in such accounts, and management believes that the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

**Property and Equipment** – Property and equipment are recorded at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets (three to five years). Assets under capital leases are amortized over the shorter of their useful lives or lease term using the straight-line method. Major replacements and improvements are capitalized, while general repairs and maintenance are expensed as incurred.

**Impairment of Long-Lived Assets** – Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. When such events occur, the Company compares the carrying amounts of the assets to their undiscounted expected future cash flows. If this comparison indicates that there is impairment, the amount of impairment is calculated as the difference between the carrying value and fair value. To date, no such impairments have been recognized.

**Revenue Recognition** – The Company enters into license agreements for the development and commercialization of our product candidate, entinostat. License agreements may include non-refundable upfront payments, contingent payments based on the occurrence of specified events under the Company’s license arrangements, partial or complete reimbursement of research and development expenses, license fees and royalties on sales of entinostat if they are successfully approved and commercialized. The Company’s performance obligations under the license agreements may include the transfer of intellectual property rights in the form of licenses, obligations to provide research and development services and related materials and participation on certain development and/or commercialization committees with the collaboration partners.

Revenue is recognized when (i) persuasive evidence of an arrangement exists, (ii) transfer of technology has been completed, services have been performed or products have been delivered, (iii) the fee is fixed and determinable, and (iv) collection is reasonably assured. For revenue agreements with multiple-elements, the Company identifies the deliverables included within the agreement and evaluates which deliverables represent separate units of accounting based on the achievement of certain criteria including whether the deliverable has stand-alone value. Upfront payments received in connection with licenses of the Company’s technology rights are deferred if facts and circumstances dictate that the license does not have stand-alone value and are recognized as license revenue over the estimated period of performance that is generally consistent with the terms of the research and development obligations contained in the specific license agreement. The Company periodically

SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

reviews its estimated periods of performance based on the progress under each arrangement and accounts for the impact of any changes in estimated periods of performance on a prospective basis.

At the inception of each agreement that includes milestone payments, the Company evaluates whether each milestone is substantive and at risk to both parties on the basis of the contingent nature of the milestone. The Company evaluates factors such as the scientific, regulatory, commercial and other risks that must be overcome to achieve the respective milestone, the level of effort and investment required to achieve the respective milestone and whether the milestone consideration is reasonable relative to all deliverables and payment terms in the arrangement in making this assessment. Non-refundable payments that are contingent upon achievement of a substantive milestone are recognized in their entirety in the period in which the milestone is achieved, assuming all other revenue recognition criteria are met. Other contingent payments in which a portion of the milestone consideration is refundable or adjusts based on future performance or non-performance (e.g., through a penalty or claw-back provision) are not considered to relate solely to past performance, and therefore, not considered substantive. Amounts that are not recognized as revenue due to the uncertainty as to whether they will be retained or because they are expected to be refunded are recorded as a liability. The Company recognizes non-substantive milestone payments over the remaining estimated period of performance once the milestone is achieved. Contingent payments associated with the achievement of specific objectives in certain contracts that are not considered substantive because the Company does not contribute effort to the achievement of such milestones are recognized as revenue upon achievement of the objective, as long as there are no undelivered elements remaining and no continuing performance obligations by the Company, assuming all other revenue recognition criteria are met.

**Research and Development** – Research and development costs are expensed as incurred. Research and development expenses include payroll and personnel expenses, consulting costs, external contract research and development expenses, and allocated overhead, including rent, equipment depreciation, and utilities. Research and development costs that are paid in advance of performance are capitalized as a prepaid expense and amortized over the service period as the services are provided.

**Clinical Trial Costs** – Clinical trial costs are a component of research and development expenses. The Company accrues and expenses clinical trial activities performed by third parties based on an evaluation of the progress to completion of specific tasks using data such as patient enrollment, clinical site activations, or other information provided to us by our vendors.

**Income Taxes** – The Company records deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the Company's financial statement carrying amounts and the tax bases of assets and liabilities and for loss and credit carryforwards using enacted tax rates expected to be in effect in the years in which the differences reverse. A valuation allowance is provided to reduce the net deferred tax assets to the amount that will more likely than not be realized. The Company determines whether it is more likely than not that a tax position will be sustained upon examination. If it is not more likely than not that a position will be sustained, none of the benefit attributable to the position is recognized. The tax benefit to be recognized for any tax position that meets the more-likely-than-not recognition threshold is calculated as the largest amount that is more than 50% likely of being realized upon resolution of the contingency. The Company accounts for interest and penalties related to uncertain tax positions as part of its provision for income taxes.

**Guarantees and Indemnifications** – As permitted under Delaware law, the Company indemnifies its officers, directors, and employees for certain events or occurrences that happen by reason of the relationship with, or position held at, the Company. The Company has standard indemnification arrangements under office leases (as described in Note 14) that require it to indemnify the landlord against all costs, expenses, fines, suits, claims, demands, liabilities, and actions directly resulting from any breach, violation, or nonperformance of any



SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

covenant or condition of the Company's lease. Through December 31, 2014, the Company had not experienced any losses related to these indemnification obligations and no claims were outstanding. The Company does not expect significant claims related to these indemnification obligations, and consequently, concluded that the fair value of these obligations is negligible, and no related reserves were established.

**Stock-Based Compensation** – The Company accounts for all stock option awards granted to employees and non-employees using a fair value method. Stock-based compensation is measured at the grant date fair value of employee stock option grants and is recognized over the requisite service period of the awards (usually the vesting period) on a straight-line basis, net of estimated forfeitures. Stock option awards to non-employees are subject to periodic revaluation over their vesting terms.

**Convertible Preferred Stock** – The Company has classified certain series of convertible preferred stock as temporary equity in the consolidated balance sheets due to certain change in control events that are outside of the Company's control, including liquidation, sale, or transfer of control of the Company, as holders of the convertible preferred stock could cause redemption of the shares in these situations. The carrying value of the convertible preferred stock is presented at its maximum redemption value. As of December 31, 2014, the Series A has no liquidation preference and is presented in permanent equity.

**Debt Discount** – The Company has recorded the fair value of the derivative liability related to its term loans as debt discount, which is presented in the consolidated balance sheets as an offset to the carrying value amount of the long-term debt. Debt discount is amortized to interest expense using the effective interest rate method or a method that approximates the effective interest rate method over the expected period that the debt is expected to be outstanding.

**Derivative Liabilities** – The Company records potential payments that would be made to lenders upon certain triggering events as a derivative financial liabilities. The derivative liability is initially valued at fair value using a probability-weighted expected return model. Gains and losses arising from changes in fair value recognized in other income (expense) in the consolidated statements of operations and comprehensive loss at each period end while such liabilities are outstanding.

**Common and Convertible Preferred Stock Warrants** – The Company has recorded common and convertible preferred stock warrants issued to investors and note holders and common stock warrants issued with license agreements as derivative financial liabilities, as the terms of the warrants are not fixed due to potential adjustments in the exercise price and/or the number of shares issuable under the warrants. Both the common and convertible preferred stock warrants are initially recorded at fair value, with gains and losses arising from changes in fair value recognized in other income (expense) in the consolidated statements of operations and comprehensive loss at each period end while such instruments are outstanding. The warrant liabilities were valued using a Black-Scholes option-pricing model.

**Convertible Preferred Stock Tranche Liability** – The Company has determined that the Company's obligation to issue and the investors' obligation to purchase additional shares of the Company's Series B-1 represents a freestanding instrument. The freestanding tranche liability was initially recorded at fair value, with gains and losses arising from changes in fair value recognized in other income (expense) in the consolidated statements of operations and comprehensive loss at each period end while such instruments are outstanding. The freestanding tranches were valued using a Black-Scholes option-pricing model. At December 31, 2013, these instruments had been extinguished or settled and are no longer carried on the balance sheet.

SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Recently Issued Accounting Pronouncements** – In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers* (“ASU 2014-09”). ASU 2014-09 supersedes the revenue recognition requirements of FASB Accounting Standards Codification (“ASC”) Topic 605, *Revenue Recognition* and most industry-specific guidance throughout the Accounting Standards Codification, resulting in the creation of FASB ASC Topic 606, *Revenue from Contracts with Customers*. ASU 2014-09 requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. Adoption will be permitted using either a retrospective or modified retrospective approach. In July 2015, FASB voted to delay the effective date of the standard by one year to the first quarter of 2018 to provide companies sufficient time to implement the standard. Early adoption will be permitted, but not before the first quarter of 2017. The Company is currently evaluating the method by which it will implement this standard and the impact of the adoption of this standard on the Company’s consolidated financial statements.

In June 2014, FASB, issued ASU 2014-10, *Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation*. The amendments in this guidance remove all incremental financial reporting requirements for development stage entities. Among other changes, this guidance will no longer require development stage entities to present inception-to-date information about income statement line items, cash flows, and equity transactions. These presentation and disclosure requirements will no longer be required for the first annual period beginning after December 15, 2014 for public companies. Early application is permitted for interim and annual periods for which financial statements have not yet been issued or made available for issuance. The Company elected to early adopt this guidance in the fourth quarter of 2014.

In August 2014, FASB issued ASU 2014-15, *Presentation of Financial Statements-Going Concern* (“ASU 2014-15”). ASU 2014-15 provides guidance on management’s responsibility in evaluating whether there are conditions or events that raise substantial doubt about a company’s ability to continue as a going concern within one year from the date the financial statements are issued, and about related footnote disclosures. ASU 2014-15 is effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Company is currently evaluating the impact of adopting ASU 2014-15 on its consolidated financial statements and related disclosures.

In November 2014, FASB issued ASU 2014-16, *Derivatives and Hedging (Topic 815): Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the form of a Share Is More Akin to Debt or to Equity (a consensus of the FASB Emerging Issues Task Force)* (“ASU 2014-16”). ASU 2014-16 clarifies how current guidance should be interpreted in evaluating the economic characteristics and risks of a host contract in a hybrid financial instrument that is issued in the form of a share. Specifically, the amendments clarify that an entity should consider all relevant terms and features, including the embedded derivative feature being evaluated for bifurcation, in evaluating the nature of a host contract. ASU 2014-16 is effective for fiscal years and interim periods beginning after December 15, 2015. The Company is currently in the process of evaluating the impact of adopting ASU 2014-16 on its consolidated financial statements and related disclosures.

## 2. Net Loss per Share Attributable to Common Stockholders

Basic net loss attributable to common stockholders per share is computed by dividing the net loss attributable to common stockholders by the weighted-average number of common shares outstanding for the period. Because the Company has reported a net loss for the years ended December 31, 2013 and 2014, diluted net loss per common share is the same as basic net loss per common share for those periods.

SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The following table summarizes the computation of basic and diluted net loss per share attributable to common stockholders of the Company (in thousands, except per share data):

	<u>Years Ended December 31,</u>	
	<u>2013</u>	<u>2014</u>
<b>Numerator—basic and diluted:</b>		
Net loss	\$ (14,171)	\$ (19,828)
Conversion of Series A into Series A-1 and cancellation of warrants pursuant to recapitalization	4,433	–
Conversion of convertible notes and accrued interest and cancellation of warrants into Series B-1 and forced conversion into Series B pursuant to recapitalization	4,425	–
Accretion of convertible preferred stock dividends	(3,959)	(6,529)
Extinguishment and modification of convertible preferred stock	(32,520)	–
Modification of tranche obligation	(787)	–
Accretion of convertible preferred stock to redemption value	(17,875)	–
Net loss attributable to common stockholders—basic and diluted	<u>\$ (60,454)</u>	<u>\$ (26,357)</u>
Net loss per share—basic and diluted	<u>\$ (1,139.14)</u>	<u>\$ (362.38)</u>
<b>Denominator—basic and diluted:</b>		
Weighted-average common shares used to compute net loss per share—basic and diluted	<u>53,070</u>	<u>72,733</u>

The following potentially dilutive securities have been excluded from the computation of diluted weighted-average shares outstanding because such securities have an antidilutive impact due to losses reported (in common stock equivalent shares):

	<u>December 31,</u>	
	<u>2013</u>	<u>2014</u>
Convertible preferred stock	7,807,593	7,807,593
Options to purchase common stock	781,663	1,038,967
Common stock warrants	154,248	158,875
Convertible notes and related accrued interest	–	454,404

The unaudited pro forma basic and diluted loss per share attributable to common stockholders for the year ended December 31, 2014 has been computed using the weighted-average number of shares of common stock outstanding after giving pro forma effect to (i) the automatic conversion of all shares of convertible preferred stock into shares of common stock and ii) the conversion of convertible notes into shares of convertible preferred stock and then converted into shares of common stock as if such conversions had occurred at the beginning of the period presented or the date of original issuance, if later. Upon conversion of the convertible preferred stock into common stock in the event of an IPO, the holders on the convertible preferred stock are not entitled to receive undeclared dividends. Accordingly, the impact of the accretion of accrued but unpaid dividends has been excluded from the determination of net loss attributable to common stockholders as the holders of the convertible preferred stock are not entitled to receive accrued but unpaid dividends upon such conversion. The interest expense associated with the convertible debt has been excluded from the determination of net loss attributable to common stockholders as this expense would not have occurred if the notes had converted at the beginning of the period presented. The gains and losses associated with the changes in the fair value of the common stock warrant have been excluded from the determination of net loss attributable to common stockholders as these re-measurements would not have occurred if the common stock warrant converted at the beginning of the period presented.

## SYNDAX PHARMACEUTICALS, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Unaudited pro forma basic and diluted loss per share attributable to common stockholders are computed as follows (in thousands, except share and per share data):

	Year Ended December 31, 2014 (unaudited)
<b>Numerator—basic and diluted:</b>	
Net loss attributable to common stockholders—basic and diluted	\$ (26,357)
Accretion of convertible preferred stock dividends	6,529
Interest expense related to convertible notes	86
Change in fair value of common stock warrant liability	(1,789)
Pro forma net loss attributable to common stockholders—basic and diluted	<u>\$ (21,531)</u>
<b>Denominator—basic and diluted:</b>	
Weighted-average number of shares outstanding—basic and diluted	72,733
Adjustment for assumed effect of conversion of convertible notes into common stock	127,113
Adjustment for assumed effect of conversion of convertible preferred stock	7,807,593
Pro forma weighted-average number of common shares used to compute pro forma net loss per share—basic and diluted	<u>8,007,439</u>
Pro forma net loss per share—basic and diluted	<u>\$ (2.69)</u>

### 3. Significant Agreements

**Kyowa Hakko Kirin Co., Ltd.** – On December 19, 2014, (the “Effective Date”) the Company entered into a license agreement (the “KHK License Agreement”) with Kyowa Hakko Kirin Co., Ltd. (“KHK”), under which the Company granted an exclusive license to develop and commercialize entinostat in Japan and Korea. Under the terms of the KHK License Agreement, the Company will be responsible for the manufacture and supply of the products during the development activities. In addition to the license and manufacturing obligations, the Company is obligated to provide KHK access to know-how and regulatory information the Company may develop over the life of the entinostat patent. Lastly, to the extent additional intellectual property is developed during the term of the agreement, KHK will receive the right to the intellectual property when and if available. KHK will conduct the development, regulatory approval filings, and commercialization activities of entinostat in Japan and Korea. KHK will pay \$25.0 million upfront, which includes a \$7.5 million equity investment of 670,062 shares of Series B-1 convertible preferred stock and a \$17.5 million non-refundable cash payment. In addition, to the extent certain development and commercial milestones are achieved, KHK will be required to pay the Company up to \$75.0 million in milestone payments over the term of the license agreement. The term of the agreement will commence on the Effective Date and, unless earlier terminated in accordance with the terms of the agreement, will continue on a country-by-country and product-by-product basis, until the later of: (i) the date all valid claims of the last effective patent among the Company’s patents expires or is abandoned, withheld, or is otherwise invalidated in such country; and (ii) 15 years from the date of the first commercial sale of a product in the Japan or Korea.

The purchase of the Series B-1 and the up-front payment of the license fee will be accounted for separately. The Company will allocate the amount of consideration related to Series B-1 equal to the fair value of the Series B-1 shares on the effective date of the KHK License Agreement based on a share price of \$11.51 per share, which will result in \$7.7 million of proceeds allocated to the Series B-1 and the remaining consideration of \$17.3 million allocated to the up-front license fee. The fair value of the Series B-1 of \$11.51 per share was based on a contemporaneous valuation.

SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The Company received \$7.5 million and issued the Series B-1 in January 2015 and received the remaining \$17.5 million in February 2015.

The Company has concluded that this agreement is within the scope of ASC 605-25, *Revenue Recognition, Multiple-Element Arrangements*. Pursuant to this guidance, the Company identified the following deliverables: (i) licenses, (ii) clinical supply and manufacturing obligations, (iii) rights to access and use materials and data, and (iv) rights to additional intellectual property. All other potential deliverables included in the arrangement have been deemed either contingent or inconsequential or perfunctory, individually and in the aggregate. Moreover, the Company has evaluated all deliverables included in the KHK License Agreement and determined that there are two units of accounting in connection with its obligations at inception under the KHK License Agreement: (i) license unit of accounting and (ii) rights to additional intellectual property. The first three deliverables identified above comprise the license unit of accounting. The Company concluded that the standalone selling price for the rights to additional intellectual property unit of account is immaterial. As such, the entire \$17.3 million allocated to the upfront payment will be allocated to the license unit of accounting. The arrangement consideration allocated to the license unit of accounting will be recognized as revenue ratably over the Company's expected services period (currently expected to be through 2029) commencing on the date of the first delivery of the clinical trial materials. As of December 31, 2014, no revenue has been recognized related to this agreement.

**Eastern Cooperative Oncology Group** – In March 2014, the Company entered into a clinical trial agreement (the "ECOG Agreement") with Eastern Cooperative Oncology Group, a contracting entity for the Eastern Cooperative Oncology Group—American College of Radiology Imaging Network Cancer Research Group ("ECOG-ACRIN"), that describes the parties' obligations with respect to the NCI-sponsored pivotal Phase 3 clinical trial of entinostat. Under the terms of the ECOG Agreement, ECOG-ACRIN will perform this clinical trial in accordance with the clinical trial protocol and a mutually agreed scope of work. The Company will provide a fixed level of financial support for the clinical trial through an upfront payment of \$695,000 and a series of time- and milestone-based payments of up to \$1.0 million and is obligated to supply entinostat and placebo to ECOG-ACRIN for use in the clinical trial. In February 2015, the Company amended the ECOG Agreement to include an additional \$1.2 million of payment obligations; and as of the effective date of the amendment, the Company's aggregate payment obligations are \$20.6 million.

Data and inventions from the Phase 3 clinical trial are owned by ECOG-ACRIN. The Company has access to the data generated in the clinical trial, both directly from ECOG-ACRIN under the ECOG Agreement as well as from the NCI. Additionally, ECOG-ACRIN has granted the Company a non-exclusive royalty-free license to any inventions or discoveries that are derived from entinostat as a result of its use during the clinical trial, along with a first right to negotiate an exclusive license to any of these inventions or discoveries. Either party may terminate the ECOG Agreement in the event of an uncured material breach by the other party or if the FDA or NCI withdraws the authorization to perform the clinical trial in the United States. The parties may jointly terminate the ECOG Agreement if the parties agree that safety-related issues support termination of the clinical trial.

The Company records the appropriate clinical trial expenses in its financial statements by matching those expenses with the period in which the services and efforts are expended. The Company accounts for these expenses according to the progress of the clinical trial as measured by patient enrollment and the timing of various aspects of the clinical trial. The Company determines accrual estimates through financial models, taking into account discussion with applicable personnel and ECOG-ACRIN as to the progress or state of consummation of the clinical trial or the services completed.

SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Bayer Pharma AG (formerly known as Bayer Schering Pharma AG)** – In March 2007, the Company entered into a license agreement (the “Bayer Agreement”) with Bayer Schering Pharma AG (“Bayer”) for a worldwide, exclusive license to develop and commercialize entinostat and any other products containing the same active ingredient. Under the terms of the Bayer Agreement, the Company paid a nonrefundable up-front license fee of \$2.0 million and is responsible for the development and marketing of entinostat. The Company recorded the \$2.0 million license fee as research and development expense during the year ended December 31, 2007, as it had no alternative future use. The Company will pay Bayer royalties on a sliding scale based on net sales, if any, and make future milestone payments to Bayer of up to \$150.0 million in the event that certain specified development and regulatory goals and sales levels are achieved. In June 2014, a development milestone was achieved, and the Company recorded \$2.0 million of research and development expense. The milestone payment was originally due on July 30, 2014. During the third quarter of 2014, the Company negotiated the following extended payment terms: \$1.0 million is due before December 31, 2014 and \$1.0 million before the earlier of (i) the Company’s receipt of at least \$50.0 million in gross proceeds from an equity financing or (ii) July 31, 2015. Interest is being accrued at LIBOR plus 2% per annum during the period the amount is outstanding. The outstanding balance related to this milestone payment as of December 31, 2014, of \$1.0 million was paid in January 2015.

In connection with the Bayer Agreement, the Company issued to Bayer a warrant to purchase the number of shares of the Company’s common stock equal to 1.75% of the shares of common stock outstanding on a fully diluted basis as of the earlier of the date the warrant is exercised or the closing of the Company’s IPO. The warrant contains anti-dilution protection to maintain Bayer’s potential ownership at 1.75% of the shares of common stock outstanding on a fully diluted basis, which requires that the actual number of shares of common stock issuable pursuant to the warrant be increased or decreased for any changes in the fully diluted shares of common stock outstanding. The warrant is exercisable at an exercise price of \$1.23 per share and expires upon the earlier of the 10-year anniversary of the closing of the Company’s IPO or the date of the consummation of a disposition transaction.

The warrant is classified as a long-term liability and recorded at fair value with the changes in the fair value recorded in other income (expense). The Company uses the Black-Scholes option-pricing model to determine the fair value of the warrant. The total shares exercisable under the warrant, the fair value associated with the warrant and the Black-Scholes option-pricing model assumptions used to value the shares of common stock issuable pursuant to the warrant are as follows (in thousands, except share data):

As of December 31,	Total Shares of Common Stock Issuable Under the Warrant	Average Exercise Price	Fair Value of Common Stock	Estimated Volatility	Risk-Free Interest Rate	Estimated Dividend Yield	Estimated Remaining Contractual Life (in years)	Fair Value of Warrant Liability as of December 31,
2013	154,248	\$ 1.23	\$ 16.85	67%	2.65%	0.0%	9.23	\$ 2,482
2014	158,875	\$ 1.23	\$ 5.01	72%	2.00%	0.0%	7.48	\$ 693

**University of Colorado** – In July 2007, the Company entered into an exclusive option agreement (the “Option Agreement”) with the Regents of the University of Colorado (“Colorado”), whereby the Company was granted the exclusive 12-month option to license at a future date certain patents owned by Colorado. Under the terms of the Option Agreement, the Company agreed to reimburse Colorado for fees and costs incurred to date and ongoing patent prosecution costs. From September 2008 to December 2010, the Company paid Colorado a total of \$0.1 million to extend the option period through December 31, 2010 for certain of the patents, and paid patent prosecution costs on those patents. In April 2013, the Company entered into an exclusive license agreement (the “Colorado Agreement”) with Colorado for certain of the patents owned by Colorado. Under the terms of the Colorado Agreement, the Company will pay Colorado a license fee of \$0.2 million, with \$0.1

## SYNDAX PHARMACEUTICALS, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

million payable within 30 days of execution of the Colorado Agreement and the balance upon the close of a financing with proceeds specifically earmarked in writing for the development of a lung cancer indication involving the licensed patents. In each case, the license fee is payable in cash or the equivalent value of shares of the Company's common stock. Upon the execution of the Colorado Agreement in April 2013, the Company recorded a liability of \$0.1 million in research and development expense. In November 2013, the Company issued 20,325 shares of its common stock to University License Equity Holdings, Inc. ("ULEH"), an affiliate of Colorado, to extinguish the liability and recorded additional research and development expense of \$0.3 million to reflect the fair value of shares granted to ULEH. Under the Colorado Agreement, the Company is obligated to pay Colorado royalties on net sales, if any, and milestone payments related to the achievement of certain clinical and regulatory goals. As of December 31, 2014, none of these goals had been achieved, and no milestones were payable. In December 2014, the Company notified Colorado of its intentions to terminate the Colorado Agreement effective January 2015. There were no incremental obligations in connection with the termination of the agreement.

**4. Property and Equipment, net**

Property and equipment, net, consisted of the following (in thousands):

	December 31,	
	2013	2014
Office and computer equipment	\$ 131	\$ 131
Furniture and fixtures	66	74
Office equipment under capital lease	13	13
Total property and equipment	210	218
Less: accumulated depreciation	(170)	(185)
Property and equipment, net	<u>\$ 40</u>	<u>\$ 33</u>

Property and equipment under capital leases consist of office equipment with a cost basis of \$13,000 and accumulated amortization of \$0 and \$3,000, as of December 31, 2013 and 2014, respectively.

**5. Fair Value Measurements**

The carrying amounts of cash and cash equivalents, restricted cash, accounts payable, and accrued expenses approximated their estimated fair values due to the short-term nature of these financial instruments. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value are performed in a manner to maximize the use of observable inputs and minimize the use of unobservable inputs. The accounting standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value, which are the following:

- Level 1*— Quoted prices in active markets that are accessible at the market date for identical unrestricted assets or liabilities.
- Level 2*— Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs for which all significant inputs are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3*— Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

During the periods presented, the Company has not changed the manner in which it values assets and liabilities that are measured at fair value using Level 3 inputs. The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers within the hierarchy during the years ended December 31, 2013 and 2014.

A summary of the assets and liabilities carried at fair value in accordance with the hierarchy defined above is as follows (in thousands):

	Total Carrying Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>December 31, 2013</b>				
Assets:				
Cash equivalents	\$10,093	\$ 4,538	\$ 5,555	\$ –
Short-term investments	4,022	–	4,022	–
Total assets	<u>\$14,115</u>	<u>\$ 4,538</u>	<u>\$ 9,577</u>	<u>\$ –</u>
Liability:				
Common stock warrant liability	<u>\$ 2,482</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 2,482</u>
<b>December 31, 2014</b>				
Assets:				
Cash equivalents	\$ 4,986	\$ 4,483	\$ 503	\$ –
Short-term investments	2,082	–	2,082	–
Total assets	<u>\$ 7,068</u>	<u>\$ 4,483</u>	<u>\$ 2,585</u>	<u>\$ –</u>
Liabilities:				
Derivative liability	\$ 126	\$ –	\$ –	\$ 126
Common stock warrant liability	693	–	–	693
Total liabilities	<u>\$ 819</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 819</u>

Cash equivalents of \$4.5 million as of December 31, 2013 and December 31, 2014 consisted of money market funds and are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets. Cash equivalents of \$5.6 million as of December 31, 2013 and \$0.5 million as of December 31, 2014 consisted of highly rated corporate bonds and are classified within Level 2 of the fair value hierarchy because pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Short-term investments of \$4.0 million as of December 31, 2013 and \$2.1 million as of December 31, 2014 consisted of commercial paper and highly rated corporate bonds and are classified within Level 2 of the fair value hierarchy because pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The short-term investments are classified as available-for-sale securities. As of December 31, 2014, the remaining contractual maturities of the available-for-sale securities were less than one year. There have been no significant realized or unrealized gains or losses on available-for-sale securities for the periods presented.



SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

A roll-forward of the recurring fair value measurements of the convertible preferred stock warrants liability, common stock warrant liability, embedded derivative liability, derivative liability, and convertible preferred stock tranche liability categorized with Level 3 inputs are as follows (in thousands):

	Convertible Preferred Stock Warrant Liability	Common Stock Warrant Liability	Embedded Derivative Liability	Convertible Preferred Stock Tranche Liability
Balance—December 31, 2012	\$ 1,814	\$ 3,880	\$ 287	\$ —
Tranche liability on stock issuance	—	—	—	5,286
De-recognition of tranche liability on closings	—	—	—	(8,430)
Change in fair value	(128)	1,943	—	3,144
Cancellation of warrants and embedded derivative (Note 10)	(1,686)	(3,341)	(287)	—
Balance—December 31, 2013	<u>\$ —</u>	<u>\$ 2,482</u>	<u>\$ —</u>	<u>\$ —</u>

	Common Stock Warrant Liability	Derivative Liability
Balance—December 31, 2013	\$ 2,482	\$ —
Initial fair value of derivative	—	130
Change in fair value	(1,789)	(4)
Balance—December 31, 2014	<u>\$ 693</u>	<u>\$ 126</u>

With the exception of the common stock warrant issued to Bayer, all other warrants to purchase common stock and convertible preferred stock issued to investors and note holders were canceled and the embedded derivative was eliminated in March 2013 as a part of the recapitalization described in Note 10.

The convertible preferred stock tranche liability was recorded at fair value using the Black-Scholes option-pricing model on the date of the issuance using the following assumptions: fair value of convertible preferred stock of \$11.19; expected life of 0.08 to 0.76 years; risk-free interest rate of 0.04% to 0.13%; and expensed volatility of 50%.

The common stock warrant liability was recorded at fair value determined by using the Black-Scholes option-pricing model. This method of valuation involves using inputs such as the fair value of the Company's common stock, stock price volatility, the contractual term of the warrant, risk-free interest rates, and dividend yields. Due to the nature of these inputs, the valuation of the warrants was considered a Level 3 measurement. See Note 3 for further discussion of the accounting for the Bayer common stock warrant, as well as for a summary of the significant inputs and assumptions used to determine the fair value of the warrant.

The derivative liability was recorded at fair value using the following assumptions: weighted-average probability of 60% likelihood of a successful IPO in 0.75 years; 40% to the sale of the Company in 2.50 years; and a market-based discount rate that will increase or decrease each period based on changes in the probability in the future cash flows. A significant fluctuation in the probability would not result in a material increase or decrease in the fair value of the derivative liability.

## SYNDAX PHARMACEUTICALS, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The following table presents the carrying value and estimated fair value of the Company's debt (in thousands):

	December 31, 2014	
	Carrying Value	Estimated Fair Value
Long-term debt	\$ 8,884	\$ 9,122
Convertible notes	5,000	5,229
Total	<u>\$13,884</u>	<u>\$ 14,351</u>

The carrying value of long-term debt is net of debt discount. The fair value of the long-term debt is based on the discounted future cash flows of the long-term debt using a discount rate derived from market interest rates based on the creditworthiness of the Company. The fair value of the convertible notes is based upon the fair value of the underlying equity securities that the convertible notes can be converted into. The valuation of the long-term debt and convertible notes are classified within Level 3 of the hierarchy of fair value measurements.

## 6. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	December 31,	
	2013	2014
Accrued license fees	\$ 225	\$1,000
Accrued professional fees	485	954
Accrued compensation and related costs	569	653
Accrued clinical costs	169	646
Derivative liability	–	126
Accrued interest	–	124
Other	205	40
Total accrued expenses	<u>\$1,653</u>	<u>\$3,543</u>

## 7. Convertible Notes

As of December 31, 2012, the Company had convertible notes outstanding of \$16.9 million ("2012 Notes"), which included an aggregate of \$16.9 million of principal and \$0 of unamortized debt discount. In 2013, the Company issued an additional \$0.7 million of convertible notes. Pursuant to the Series B-1 financing and the recapitalization, all outstanding convertible notes were converted to shares of various classes of convertible preferred stock; and as of December 31, 2013, no convertible notes were outstanding.

In September 2014, the Company entered into a bridge loan financing with various investors, in which it issued convertible unsecured promissory notes for an aggregate principal amount of \$5.0 million (the "2014 Notes"), in two closings. The first closing occurred in September 2014 and \$4.9 million was received, and the balance of \$0.1 million was received in October 2014. The 2014 Notes accrue interest at 6% per annum and mature on September 30, 2015 (the "Maturity Date").

The 2014 Notes are convertible upon the occurrence of the earlier to occur of the following events during the period that the loans are outstanding:

(i) effective upon closing a qualified preferred stock financing before

SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

January 1, 2015, in consideration of which the Company receives aggregate gross proceeds of at least \$10.0 million, the outstanding principal and accrued interest on the 2014 Notes will automatically convert into the new series of preferred stock based upon the same price paid by those investors; (ii) effective upon closing a qualified preferred stock financing after January 1, 2015, in consideration of which the Company receives aggregate gross proceeds of at least \$40.0 million, the outstanding principal and accrued interest on the 2014 Notes will automatically convert into the new series of preferred stock based upon the same price paid by those investors; (iii) upon an IPO, the outstanding principal and accrued interest on the 2014 Notes will automatically convert to the Company's common stock equal to the outstanding principal plus accrued interest divided by the IPO price of the common stock shares issued to the public; (iv) upon a change of control, the outstanding principal and accrued interest of the 2014 Notes will be automatically converted into the number of shares of the Company's Series B-1, equal to the outstanding principal amount plus accrued interest divided by the Series B-1 conversion price; (v) if the Company issues preferred stock (other than in a qualified financing), upon the election and approval of at least a majority of the principal amount of the then outstanding 2014 Notes (the "Purchaser Majority"), the investors have the option to convert all of the 2014 Notes into the shares of preferred stock issued in the non-qualified financing equal to the outstanding principal plus accrued interest divided by the lowest price per share paid by the purchasers in the non-qualified financing. At maturity, if the 2014 Notes are still outstanding, upon the written election of the Purchaser Majority, the entire unpaid principal amount and unpaid accrued interest of each 2014 Notes shall be automatically converted into shares of the Company's Series B-1 at the Series B-1 conversion price.

The Company incurred \$24,000 of debt issuance costs related to the 2014 Notes, which will be amortized to interest expense over the term of the 2014 Notes. As of December 31, 2014, \$5.0 million in an aggregate principal amount of the 2014 Notes was outstanding and the amount of accrued interest related to the 2014 Notes was \$0.1 million.

In June 2015, in conjunction with the Series C-1 financing, the outstanding principal on the 2014 Notes of \$5.0 million and the related accrued interest of \$0.2 million were converted into 465,563 shares of Series C-1 at \$11.193 per share, which was the same price paid by Series C-1 investors.

## 8. Long-term Debt

**General Electric Capital Term Loan** – In March 2011, the Company entered into a \$6.0 million senior secured term loan facility with General Electric Capital Corporation ("GE"). The loan was secured by all tangible property and intellectual property of the Company. An initial amount of \$3.0 million was borrowed by the Company on March 29, 2011, and an additional amount of \$3.0 million was borrowed by the Company on September 29, 2011. The initial term loan had a duration of 42 months, and the second term loan had a term of 36 months. Both loans were due on September 29, 2014. Interest accrued based on the three-year treasury rate in effect three business days prior to the funding date of each applicable term loan, plus 8.75% per annum, which was 10.01% for the tranche borrowed on March 29, 2011 and 9.75% for the tranche borrowed on September 29, 2011. A nonrefundable closing fee of \$0.2 million was due at maturity and was recorded in the notes payable balance as of December 31, 2012. In March and May 2013, the Company entered into an agreement with GE to modify the existing loan agreement to allow for interest-only payments for the period March 1 through May 31, 2013. In June 2013, the agreement was further amended to extend the interest-only period through July 15, 2013 in exchange for a commitment by the Company to accelerate the repayment of the loan. Under the terms of the commitment, the Company paid \$2.0 million of the outstanding loan balance in July 2013 in connection with the third tranche of the Series B-1 financing along with principal payments of \$0.9 million through September 30, 2013, leaving \$1.5 million outstanding, which the Company paid off on November 21, 2013, in connection with a fourth tranche closing of the Series B-1 financing. During December 2011, GE participated in the December

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2011 Notes offering and purchased \$0.3 million of convertible notes, and in April 2012 purchased an additional \$0.3 million of notes, and in June 2012 purchased an additional \$33,000 of notes. As part of the recapitalization described in Note 9, in March 2013, the entire \$0.8 million in principal and accrued interest converted into shares of Series B-1. As a result of this extinguishment, for the year ended December 31, 2013, the Company recorded a gain on extinguishment of \$0.1 million in other income (expense) in the consolidated statements of operations and comprehensive loss.

**Solar Capital, Ltd Term Loan** – In June 2014, the Company entered into a loan and security agreement with Solar Capital Ltd. (“Solar”), as collateral agent and lender, consisting of a \$15.0 million senior secured term loan facility. The loan is secured by substantially all of the Company’s existing and after-acquired assets except its intellectual property, but including right of payment with respect to any such intellectual property and all proceeds from the disposition of any such intellectual property. The intellectual property of the Company is subject to a negative pledge. In September and December 2014, the Company amended the term loan facility. The term loan facility has a maturity date of June 13, 2018.

In September 2014, the initial term loan (the “Term A Loan”), in the aggregate principal amount of \$5.0 million was funded; and in December 2014, a second term loan (the “Term C Loan”) in the aggregate principal amount of \$4.0 million was funded with the following post-closing conditions: Pursuant to the KHK License Agreement, the Company must receive \$7.5 million in net equity proceeds no later than January 9, 2015 and no later than February 13, 2015, must receive \$17.5 million in license-related proceeds or return the \$4.0 million of proceeds from Term Loan C to Solar. The Company achieved the post-closing conditions.

At the Company’s request and upon the completion of a bona fide financing in the form of a sale of the Company’s Series C Preferred Stock by March 31, 2015 resulting in the receipt of at least \$15.0 million in net proceeds, a term loan in the aggregate principal amount of up to \$3.0 million (the “Term B Loan”) will be funded. Solar has no obligations to fund the Term B Loan after March 31, 2015. At the Company’s request and upon the consummation of an IPO resulting in the receipt of at least \$37.0 million in net proceeds, an additional term loan (the “Term D Loan”) of up to \$7.0 million will be funded, provided that the total term loan commitment under the loan and security agreement does not exceed \$15.0 million. Solar has no obligations to fund the Term D Loan after September 30, 2015.

Interest accrues at a floating rate per annum equal to LIBOR plus 8.8%, payable monthly in arrears (which was 9.0% as of December 31, 2014). The Company is required to make interest-only payments on any term loans funded under the term loan facility until July 1, 2015; and beginning on July 1, 2015, it is required to make payments of principal plus accrued interest in equal monthly installments until the maturity date. If the Term A Loan, the Term C Loan and the Term D Loan are fully funded, the Company would be permitted to make interest-only payments until October 1, 2016, rather than July 1, 2015, and beginning on October 1, 2016, to make consecutive equal monthly payments of principal and interest until the maturity date.

Upon the completion of an IPO or upon the occurrence of certain change of control or liquidity events, the Company is required to pay a \$0.2 million success fee that will be due on the earlier of the maturity date of the term loan facility or upon the occurrence of certain change of control or liquidity events. The Company has recorded the success fee as a derivative financial liability. The initial fair value of the derivative of \$0.1 million has been recorded as a debt discount.

In addition, the Company is required to pay a final fee equal to 4% of the amount of term loans funded that will be due on the earlier of the maturity date of the term loan facility or upon the occurrence of certain change of control or liquidity events. The Company will accrue the final fee of \$0.4 million on the outstanding term loans

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through interest expense using the effective-interest method from the date of issuance through the maturity date of the loan. As of December 31, 2014, \$23,000 has been accrued for the final fee. The Company incurred \$0.3 million of debt issuance costs for this term loan facility, which will be amortized to interest expense over the period the loans are outstanding. The Company has the option to prepay the term loans provided it pays a prepayment fee equal to 2% of the outstanding principal if paid prior to the one-year anniversary of the funding and 1% of the outstanding principal if paid after the one-year anniversary of the funding.

As of December 31, 2014, the carrying amount of the debt of \$8.9 million is net of the debt discount of \$0.1 million; and the principal amount outstanding under this term loan facility is \$9.0 million. Estimated future principal payments due under the term loans are as follows (in thousands):

<u>Years Ending December 31,</u>	
2015	\$ 1,500
2016	3,000
2017	3,000
2018	1,500
	<u>\$ 9,000</u>

**9. Convertible Preferred Stock**

Convertible preferred stock consisted of the following (in thousands, except share data):

<u>December 31, 2013</u>	<u>Preferred Shares Designated</u>	<u>Issuance Date</u>	<u>Preferred Shares Issued and Outstanding</u>	<u>Liquidation Preference</u>	<u>Carrying Value</u>
Series A-1	3,951,219	March 2013	3,502,185	\$ 41,760	\$ 59,394
Series B	4,227,642	March and August 2013	340,302	\$ 2,933	\$ 5,084
Series B-1	4,146,341	March, April, July, August and November 2013	3,789,999	\$ 75,846	\$ 75,846
Totals					<u>\$140,324</u>
Series A	4,390,243	March and August 2013	875,545	\$ -	<u>\$ 7,231</u>

<u>December 31, 2014</u>	<u>Preferred Shares Designated</u>	<u>Issuance Date</u>	<u>Preferred Shares Issued and Outstanding</u>	<u>Liquidation Preference</u>	<u>Carrying Value</u>
Series A-1	3,951,219	March 2013	3,502,185	\$ 44,896	\$ 62,530
Series B	4,227,642	March and August 2013	340,302	\$ 2,933	\$ 5,084
Series B-1	4,956,764	March, April, July, August and November 2013	3,789,999	\$ 79,239	\$ 79,239
Totals					<u>\$146,853</u>
Series A	4,390,243	March and August 2013	875,545	\$ -	<u>\$ 7,231</u>

As of December 31, 2013 and 2014, the various series of convertible preferred stock have the following rights, preferences, and privileges):

*Voting* – Holders of shares of convertible preferred stock have full voting rights and powers equal to the rights and powers of holders of shares of common stock, with respect to any matters upon which holders of

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

shares of common stock have the right to vote. Holders of shares of convertible preferred stock are entitled to the number of votes equal to the largest number of shares of common stock into which such share of convertible preferred stock could be converted at the record date for determination of the stockholders entitled to vote on such matters. Holders of shares of Series A-1 and Series B-1, voting together as a separate class on an as-converted basis, are entitled to elect four members of the Board. Holders of shares of common stock, voting as a separate class, are entitled to elect two members of the Board. Holders of a majority of the outstanding shares of common stock and a majority of the outstanding shares of convertible preferred stock, each voting as a separate class on an as-converted basis, are entitled to elect one member of the Board. Holders of at least 60% of the outstanding shares of convertible preferred stock and a majority of the outstanding shares of common stock, each voting as a separate class on an as-converted basis, are entitled to elect any remaining directors.

*Conversion* – Each share of Series B-1, A-1, and B is convertible at the option of the holder into one share of common stock, subject to certain adjustments for dilution, if any, resulting from future stock issuances. Each share of Series A is convertible at the option of the holder into one-fifth of a share of common stock, subject to certain adjustments for dilution, if any, resulting from future stock issuances. The outstanding shares of convertible preferred stock automatically convert into common stock at the then effective conversion rate upon the earlier of (i) an underwritten public offering of our common stock in which aggregate proceeds are in excess of \$50.0 million at a price of at least \$5.00 per share, as adjusted for any recapitalization event or (ii) the election of holders of at least 60% of the outstanding shares of convertible preferred stock, voting as a separate class on an as-converted basis. In the event that any holder of Series A-1 or Series B-1 does not participate in a future tranche of the Series B-1 financing, by purchasing such holder's pro rata share, each share of Series A-1 or Series B-1 then owned by such holder shall automatically convert into an equivalent number of Series A or Series B shares upon consummation of such financing.

*Dividends* – Holders of shares of Series B-1, in preference to holders of shares of Series A-1, Series A, Series B, and common stock, are entitled to receive, whether or not declared by the Board, cumulative dividends at the rate of 8% of the applicable original issue price per share per annum. Such dividends accrue and are cumulative from the date of the issuance of the Series B-1. No such dividends have been declared to date. Holders of shares of Series A-1, in preference to holders of shares of Series A, Series B and common stock, are entitled to receive, whether or not declared by the Board, cumulative dividends at the rate of 8% of the applicable original issue price per share per annum. Such dividends accrue and are cumulative from the date of the issuance of the Series A-1. No such dividends have been declared to date. As of December 31, 2014, the Company has recorded cumulative dividends on Series A-1 and Series B-1 \$5.6 million and \$4.9 million, respectively. In addition, holders of shares of Series A-1 and Series B-1 are entitled to receive, on an as-converted basis, dividends declared and paid to holders of shares of common stock.

*Liquidation* – In the event of any liquidation, dissolution, winding-up, sale or merger of the Company, whether voluntarily or involuntarily, each holder of shares of Series B-1 is entitled to receive, in preference to holders of shares of Series A-1, Series A, Series B, and common stock, a per share amount equal to the original issue price times a factor of 1.75, plus all accrued but unpaid dividends. Each holder of shares of Series A-1 is entitled to receive, in preference to holders of shares of Series A, Series B, and common stock, a per share amount equal to the original issue price, plus all accrued but unpaid dividends. Each holder of shares of Series B is entitled to receive, in preference to holders of shares of Series A and common stock, a per share amount equal to the original issue price multiplied by 75%, plus all accrued but unpaid dividends. After the above payments have been made for the full amounts to which they are entitled, any remaining assets will be distributed pro rata among holders of shares of common stock, Series A-1, Series B-1, and Series A, on an as-converted basis. The Series A has no liquidation preferences.

SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

In June 2015, the Company issued 2,140,712 shares of Series C-1 for \$18.5 million in cash, net of offering costs of \$0.2 million, and the conversion of the outstanding principal on the 2014 Notes of \$5.0 million and related accrued interest of \$0.2 million. In August 2015, the Company issued 5,472,390 additional shares of Series C-1 for gross proceeds of \$61.3 million.

**10. Recapitalization and Series B-1 Preferred Stock Financing**

In March 2013, in connection with the Company's Series B-1 financing, the then outstanding shares of Series A and convertible notes were subject to an overall recapitalization of the Company's capital structure. The impact of the recapitalization on the various securities outstanding depended upon whether the holder of an affected security participated in the Series B-1 financing by purchasing Series B-1 shares for cash on at least a pro rata basis, as described in the agreements underlying the Series B-1 financing. Generally, to the extent that the holder met the participation requirement, such holder received more senior securities in exchange for their existing securities.

As part of the recapitalization, shares of the then outstanding Series A were subject to a 10-for-1 stock split with the related conversion price and value reduced accordingly. These Series A shares were then exchanged for a new series of stock, Series A-1, with the rights and preferences described in Note 8. To the extent that the holders met the participation requirements of the recapitalization and purchased their share of the Series B-1 financing, such Series A-1 shares were unaffected; to the extent they did not participate, the Series A-1 shares were automatically forced to convert at a rate of 1-to-1 into a less senior class of convertible preferred stock, labeled Series A. As a result, 437,773 shares of Series A-1 with a carrying value of \$4.9 million were converted to 437,773 shares of Series A with a fair value of \$2.1 million.

In addition, to the extent that holders of the convertible notes participated in their pro rata share of the cash issuance of Series B-1, the principal and accrued interest on those securities were converted into shares of Series B-1, at a price per share equal to the price paid by other investors in the financing. To the extent they did not participate in the cash issuance, the principal and accrued interest on those securities were converted into a less senior class of convertible preferred stock, labeled Series B, at a price per share equal to the price paid by other investors in the financing.

As part of the recapitalization, all outstanding warrants to acquire either convertible preferred stock or common stock held by the investors were canceled, and the embedded derivative was removed by agreement.

The recapitalization has been accounted for as an extinguishment of the various securities involved as the changes to the terms of the affected securities were significantly modified. The carrying values of the Series A shares, the convertible notes, embedded derivative and related warrants were removed, and the fair value of the new securities (Series B-1, Series A-1, Series B and Series A) issued was recorded. The gain on extinguishment has been recorded as an increase to additional paid-in-capital of \$8.9 million for the related party components of the recapitalization, and \$0.1 million was recorded as other income (expense) in the consolidated statements of operations and comprehensive loss for the non-related party component.

In accordance with the terms of the Series B-1 purchase agreement, the Company authorized the sale and issuance of up to 2,763,239 shares of Series B-1. The Series B-1 financing was structured to close in four tranches. The Company determined the right of the investors to purchase shares of Series B-1 in future tranches (the second, third and fourth tranches) meets the definition of a freestanding financial instrument and is recognized as a liability at fair value. The Company adjusted the carrying value of the tranche obligations to its

## SYNDAX PHARMACEUTICALS, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

estimated fair value at each closing and at the reporting date. Increases or decreases in the fair value of the tranche obligations were recorded as other income (expense) in the consolidated statements of operations and comprehensive loss.

The first tranche closed in March 2013 and resulted in the issuance of 118,370 shares of Series B-1 for gross cash proceeds of \$1.3 million and the issuance of 1,605,697 shares of Series B-1 and 148,153 shares of Series B with a total fair value of \$18.7 million upon conversion of the convertible notes. Upon the first tranche closing, the Company recognized a liability of \$0.2 million for the fair value of the future tranche obligations. The fair value of the freestanding instrument tranche obligations was determined using Black-Scholes option-pricing models on the date of the issuance using the following assumptions: fair value of convertible preferred stock of \$11.19; expected life of 0.08 to 0.75 years, risk-free interest rate of 0.04 to 0.13%; and expected volatility of 50%.

Following the first tranche of the Series B-1 financing and the recapitalization, the Company had no remaining convertible notes outstanding and the following classes and number of shares of convertible preferred stock were outstanding:

<u>Class</u>	<u>Number of Shares</u>
Series A	437,773
Series A-1	3,939,957
Series B	148,153
Series B-1	1,724,067

In April 2013, the Company entered into a stock purchase agreement and license agreement with a third party to license certain technology from the Company and invest in the Company's Series B-1, as described in Note 13. Under the terms of this agreement, the Company issued 223,353 shares of Series B-1 for gross proceeds of \$2.5 million and provided for a future closing with the third party for 223,353 shares of Series B-1 for \$2.5 million which closed in November 2013. Upon the initial closing with the third party, the Company recognized a liability of \$0.8 million for the fair value related to the future tranche obligation as a freestanding financial instrument in the Company's consolidated balance sheets. The fair value of the tranche obligation was determined using Black-Scholes option-pricing models using the following assumptions: fair value of convertible preferred stock of \$18.45; expected life of 0.51 to 0.67 years; risk-free interest rate of 0.10 to 0.12%; and expected volatility of 55%. Upon the initial closing with the third party, a beneficial conversion feature with an intrinsic value of \$0.5 million was recorded as an increase to additional paid-in capital and a reduction of the proceeds allocated to the Series B-1 shares.

Additionally in April 2013, the existing investors executed the second tranche of the Series B-1 financing in which the Company issued 98,268 shares of Series B-1 and received gross proceeds of \$1.1 million. As a result of the closing of the second tranche obligation, the liability related to this closing was marked-to-market to its fair value which was determined to be \$0.

In July 2013, the Company filed its Seventh Amended and Restated Certificate of Incorporation (the "Seventh Amended Certificate") whereby the rights and preferences of the Series B-1 and Series A-1 were significantly modified. The Company has accounted for the amendment of the Series B-1 and Series A-1 as an extinguishment of the existing securities involved and the issuance of new securities. The carrying value of the Series B-1 and Series A-1 shares and the remaining third and fourth tranche obligations were removed, and the fair value of the new securities issued was recorded. A loss on extinguishment was recorded as an increase in accumulated deficit of \$25.5 million and a decrease in additional paid-in-capital of \$7.0 million.



**SYNDAX PHARMACEUTICALS, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

The Seventh Amended Certificate did not substantively change the rights and preferences of the Series B and Series A. As such, the Company has accounted for the amendment to the Series B and Series A as a modification of these series. The Company determined there was no change in the fair value of the Series B and Series A shares upon the filing of the Seventh Amended Certificate.

In August 2013, the Company and the investors amended the Series B-1 purchase agreement (the "Amendment") to cancel all future purchase obligations (the third and fourth tranches) and provide for revised additional closing obligations (new third, fourth and fifth tranches). As a result of the modification to the tranche obligations, the Company recorded a charge to additional paid-in capital of \$0.8 million related to the change in the fair value of the tranche obligation.

Additionally, the Amendment included a new investor pursuant to an agreement to license certain technology and rights to this party in conjunction with the Series B-1 investment. This new investor participated in the August closing and obtained rights to participate in the fourth and fifth tranches, which was recognized as a tranche liability. In connection with the Amendment, the Company executed the third tranche of Series B-1 shares in August 2013 with the existing investors and the new investor in which the Company issued 605,280 shares of Series B-1 and received gross proceeds of \$6.8 million and incurred \$0.4 million of issuance costs. Upon the closing of the third tranche in August 2013 with the new investor, a beneficial conversion feature with an intrinsic value of \$0.8 million was recorded as an increase to additional paid-in capital and a reduction of the proceeds allocated to the Series B-1 shares. Upon the closing of the third tranche in August 2013 with the existing investors and the new investor, the Company recognized the impact of the tranche obligations as a net reduction of the proceeds allocated to the Series B-1 shares of \$2.0 million.

One of the investors and its affiliate, which had participated in the first and second tranches of the Series B-1 financing, did not participate in the third tranche. As a result, 192,149 shares of Series B-1 shares held by these investors with a carrying value of \$3.8 million were converted to 192,149 shares of Series B and the 437,772 shares of Series A-1 shares held by these investors with a carrying value of \$5.1 million were converted to 437,772 shares of Series A.

In November 2013, pursuant to an Acknowledgment and Waiver Agreement (the "Waiver Agreement"), the Company and the holders of Series B-1 amended the Series B-1 purchase agreement, dated March 8, 2013, as amended on August 20, 2013. Pursuant to the Waiver Agreement, the holders of Series B-1 agreed to waive certain conditions to their obligation to close the fourth and fifth tranches of the Series B-1 financing and closed both tranches in November 2013. The Company issued 1,107,827 shares of Series B-1 and received gross proceeds of \$12.4 million.

In November 2013, pursuant to a letter agreement, the Company and Eddingpharm agreed to accelerate the second tranche under the Eddingpharm Purchase Agreement to November 15, 2013, and the Company issued 223,353 shares of Series B-1 and received gross proceeds of \$2.5 million.

Upon the closings of the remaining tranches in November 2013, the Company derecognized the tranche obligation, which resulted in a net increase in the proceeds allocated to the Series B-1 shares of \$7.0 million. The fair value of the remaining tranche obligations were re-measured just prior to the closings using the following assumptions: fair value of convertible preferred stock of \$20.91; expected life of 0.03 years; risk-free interest rate of 0.01%; and volatility of 50%.

As a result of the changes in the fair value of the tranche obligations, the Company recorded an aggregate of \$3.1 million to other income (expense) in the consolidated statements of operations and comprehensive loss during the year ended December 31, 2013.

## SYNDAX PHARMACEUTICALS, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

During the year ended December 31, 2013, the Company recorded accretion of \$17.9 million to record the convertible preferred stock at its redemption value.

The rights and preferences of the convertible preferred stock are described in more detail in Note 9.

**11. Common Stock**

The voting, dividend, and liquidation rights of the holders of shares of common stock are subject to and qualified by the rights, powers, and preferences of the holders of shares of convertible preferred stock. Common stock has the following characteristics:

*Voting* – The holders of each share of common stock is entitled to one vote per share held. The holders of common stock shall be entitled to elect two members of the Board.

*Dividends* – Common stockholders are entitled to receive dividends, if and when declared by the Board, subject to the rights of holders of all classes of stock outstanding having priority rights as to dividends.

*Liquidation* – After payment to the holders of shares of preferred stock of their liquidation preferences, the holders of shares of common stock are entitled to share ratably in the Company's assets available for distribution to stockholders, in the event of any voluntary or involuntary liquidation, dissolution, or winding down of the Company or upon the occurrence of a deemed liquidation event.

The Company's reserved shares of common stock for future issuance related to potential warrant exercise, conversion of the convertible preferred stock, conversion of convertible debt and exercise of stock options are as follows:

	As of December 31,	
	2013	2014
Common stock issuable under Bayer warrant	154,248	158,875
Series A preferred stock	175,107	175,107
Series A-1 preferred stock	3,502,185	3,502,185
Series B preferred stock	340,302	340,302
Series B-1 preferred stock	3,789,999	3,789,999
Convertible debt	–	670,062
Common stock options	810,376	1,518,982
Total	<u>8,772,217</u>	<u>10,155,512</u>

**12. Stock-Based Compensation**

In January 2007, the Board and the Company's stockholders adopted the 2007 Stock Plan (the "2007 Plan"). Under the 2007 Plan, incentive stock options, non-statutory stock options, and stock purchase rights may be granted to employees, directors, and consultants. The stock options generally vest over a four-year period, but vesting provisions can vary based on the Board's discretion and expire ten years from the date of grant. As of December 31, 2013, the maximum shares issuable under the 2007 plan were 813,962; and there were 28,713 shares available for issuance. In January 2014, the Board increased the maximum number of shares that can be issued under the 2007 Plan to 1,002,172 and in December 2014, increased the maximum number of shares to 1,525,000. As of December 31, 2014, there were 480,015 shares available for issuance under the 2007 Plan.

## SYNDAX PHARMACEUTICALS, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The Company recognized stock-based compensation expense related to the issuance of stock option awards to employees and non-employees in the consolidated statements of operations and comprehensive loss as follows (in thousands):

	Years Ended December 31,	
	2013	2014
Research and development	\$ 326	\$ 527
General and administrative	1,089	1,730
Total	<u>\$ 1,415</u>	<u>\$ 2,257</u>

As of December 31, 2014, there was \$2.5 million of unrecognized compensation cost related to employee and non-employee unvested stock options share-based compensation arrangements granted under the 2007 Plan, which is expected to be recognized over a weighted-average remaining service period of 2.22 years. Stock compensation costs have not been capitalized by the Company.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model that uses the assumptions noted in the table below. Expected volatility for the Company's common stock was determined based on an average of the historical volatility of a peer group of similar public companies. For options granted to employees in 2013 and 2014, the Company determined the expected term based on an average of expected terms used by a peer group of similar public companies. The contractual life of the option was used for the estimated life of the non-employee grants. The assumed dividend yield is based upon the Company's expectation of not paying dividends in the foreseeable future. The risk-free interest rate for periods within the expected life of the option is based upon the U.S. Treasury yield curve in effect at the time of grant. The accounting guidance for stock-based compensation requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

In determining the exercise prices for options granted, the Board has considered the fair value of the common stock as of each grant date. The fair value of the common stock underlying the stock options has been determined by the Board at each award grant date based upon a variety of factors, including the results obtained from an independent third-party valuation, the Company's financial position and historical financial performance, the status of technological developments within the Company's products, the composition and ability of the current clinical and management team, an evaluation or benchmark of the Company's competition, the current business climate in the marketplace, the illiquid nature of the common stock, arm's-length sales of the Company's capital stock (including convertible preferred stock), the effect of the rights and preferences of the preferred stockholders, and the prospects of a liquidity event, among others.

The grant date fair values of options issued to employees and non-employees were estimated using the Black-Scholes option-pricing model with the following assumptions:

	Years Ended December 31,	
	2013	2014
Expected term (in years)	6.29	5.96
Volatility rate	68.42%	70.36%
Risk-free interest rate	1.13%	1.91%
Expected dividend yield	0.00%	0.00%

## SYNDAX PHARMACEUTICALS, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

A summary of employee and non-employee option activity under the 2007 Plan is presented below (in thousands, except share data):

	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Term (in years)</u>	<u>Aggregate Intrinsic Value</u>
Outstanding—January 1, 2014	781,663	\$ 6.16	9.0	
Granted	691,551	\$ 8.64		
Exercised	(2,430)	\$ 2.46		
Canceled or forfeited	(431,817)	\$ 15.90		
Outstanding—December 31, 2014	<u>1,038,967</u>	\$ 3.99	8.8	\$ 1,392
Exercisable—December 31, 2014	<u>530,843</u>	\$ 3.90	8.5	\$ 899
Options vested, exercisable, or expected to vest—December 31, 2014	<u>1,013,573</u>	\$ 3.99	8.8	\$ 1,367

The weighted-average grant date fair value of options granted during the years ended December 31, 2013 and 2014, was \$5.90, and \$7.14, respectively. The fair value is being expensed over the vesting period of the options (three to four years) on a straight-line basis as the services are being provided. There were 2,430 options exercised for the year ended December 31, 2014, resulting in total proceeds of \$6,000. In accordance with the Company's policy, the shares were issued from a pool of shares reserved for issuance under the 2007 Plan.

In May 2013, the Company canceled 8,154 outstanding stock options for eight employees. These options had been granted at exercise prices ranging from \$17.22 to \$38.13. The cancellation of these awards was accompanied by a concurrent grant of 545,868 replacement stock options issued with an exercise price of \$2.46 per share and was accounted for as a modification. The incremental compensation cost was measured as the excess of the fair value of the modified grants determined over the fair value of the original award immediately before modification. The fair value of common stock used to calculate the incremental compensation cost was \$6.15 per share. The unrecognized compensation cost related to the canceled awards and the incremental compensation cost arising from this modification totaled \$2.8 million. The awards were measured based on the fair value share price and the Black-Scholes option-pricing model assumptions at the modification date. Compensation expense of \$0.7 million was recognized immediately for the portion of the expense that related to options that were vested on the grant date. The balance of the unrecognized compensation and incremental compensation of \$2.1 million will be recognized over the remaining vesting period for the respective replacement awards.

In September 2014, pursuant to an option exchange program, the Company canceled 331,857 outstanding stock options for 15 employees and directors and 3 consultants. These options had been granted at exercise prices ranging from \$12.30 to \$38.13. The cancellation of these awards was accompanied by a concurrent grant of 331,857 replacement stock options issued with an exercise price of \$5.05 per share and accounted for as a stock award modification. The incremental compensation cost was measured as the excess of the fair value of the modified grants determined over the fair value of the original award immediately before modification. The fair value of common stock used to calculate the incremental compensation cost was \$5.05 per share. The unrecognized compensation cost related to the canceled awards and the incremental compensation cost arising from this modification totaled \$2.1 million. The canceled and replacement awards were measured based on the fair value share price and the Black-Scholes option-pricing model assumptions at the modification date.

## SYNDAX PHARMACEUTICALS, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Compensation expense of \$0.5 million was recognized immediately for the portion of the expense that related to options that were vested on the grant date. The balance of the unrecognized compensation and incremental compensation of \$1.6 million will be recognized over the remaining vesting period for the respective replacement awards.

**13. Income Taxes**

The Company has not recorded any net tax provision for the periods presented due to the losses incurred and the need for a full valuation allowance on net deferred tax assets. The difference between the income tax expense at the U.S. federal statutory rate and the recorded provision is primarily due to the valuation allowance provided on all deferred tax assets. The Company's loss before income tax for the periods presented was generated entirely in the United States.

The significant components of the Company's deferred tax are as follows (in thousands):

	Years Ended December 31,	
	2013	2014
Deferred tax assets (liabilities):		
Net operating loss carryforwards	\$ 10,326	\$ 12,461
Research and development credits	1,100	1,307
Capitalized start-up and research and development costs	25,242	33,107
Depreciation and amortization	(5,477)	(6,936)
Accruals	377	235
Other temporary differences	490	601
Deferred tax assets before valuation allowance	32,058	40,775
Valuation allowances	(32,058)	(40,775)
Net deferred tax assets	\$ —	\$ —

The Company has provided a valuation allowance for the full amount of the net deferred tax assets as the realization of the deferred tax assets is not determined to be more likely than not. The valuation allowance increased by \$3.5 million and \$8.7 million in 2013 and 2014, respectively, due to the increase in deferred tax assets, primarily due to net operating loss carryforwards and capitalized research and development costs.

As of December 31, 2014, the Company had approximately \$32.7 million and \$24.5 million in federal and state net operating losses, respectively, which expire at various dates from 2015 through 2034. As of December 31, 2014, the Company had federal and state research credits of \$0.9 million and \$0.6 million, respectively, which begin to expire in 2020.

Realization of future tax benefits is dependent on many factors, including the Company's ability to generate taxable income within the net operating loss carryforward period. Under the Internal Revenue Code provisions, certain substantial changes in the Company's ownership, including the sale of the Company or significant changes in ownership due to sales of equity, have limited and may limit in the future, the amount of net operating loss carryforwards which could be used annually to offset future taxable income.

As of December 31, 2013 and 2014, the Company had uncertain tax positions of \$0.7 million and \$0.2 million, respectively, related to capitalized research and development costs and research and development credits, which reduce the deferred tax assets with a corresponding decrease to the valuation allowance. The

## SYNDAX PHARMACEUTICALS, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Company has elected to recognize interest and penalties related to income tax matters as a component of income tax expense, of which no interest or penalties were recorded for the years ended December 31, 2013 and 2014. The Company expects none of the unrecognized tax benefits to decrease within the next 12 months related to expired statutes or settlement with the taxing authorities. Due to the Company's valuation allowance as of December 31, 2014, none of the Company's unrecognized tax benefits, if recognized, would affect the effective tax rate.

A reconciliation of the Company's unrecognized tax benefits is as follows (in thousands):

	Years ended December 31,	
	2013	2014
Unrecognized tax benefit—beginning of year	\$ 778	\$ 680
Decreases related to prior period positions	(98)	(439)
Unrecognized tax benefit—end of year	<u>\$ 680</u>	<u>\$ 241</u>

The Company files tax returns in the United States, Massachusetts, California, and Florida. All tax years since inception (October 11, 2005) remain open to examination by major tax jurisdictions to which the Company is subject, as carryforward attributes generated in years past may still be adjusted upon examination by the Internal Revenue Service or state tax authorities if they have or will be used in a future period. The Company is currently not under examination by the Internal Revenue Service or any other jurisdictions for any tax years.

**14. Commitments*****License Agreements***

**NovaMedica** – In August 2013, in connection with the third tranche of its Series B-1 financing, the Company entered into a Technology Transfer Agreement (the "Tech Transfer Agreement") with Domain Russia Investments Limited ("DRI"). Pursuant to the Tech Transfer Agreement, in exchange for nominal payment, the Company assigned to DRI certain patent applications and granted to DRI a license to develop and commercialize entinostat in certain Eastern European countries (the "Covered Territory"). The Company concurrently entered into a sublicense agreement with DRI (the "DRI Sublicense") and a sublicense agreement (the "NovaMedica Sublicense") with NovaMedica LLC ("NovaMedica"), which is jointly owned by Rusnano Medinvest LLC and DRI. Pursuant to the DRI Sublicense, the Company granted to DRI an exclusive sublicense to develop, manufacture and commercialize entinostat in the Russian Federation. Pursuant to the NovaMedica Sublicense, the Company granted to NovaMedica an exclusive sublicense to develop, manufacture and commercialize entinostat in the rest of the Covered Territory. Immediately thereafter, the Company, DRI and NovaMedica executed an assignment and assumption agreement, pursuant to which the assigned patents and all of DRI's rights and obligations under the Tech Transfer Agreement and the DRI Sublicense were transferred to NovaMedica. Under the Tech Transfer Agreement, in certain cases, the Company is required to assist NovaMedica, and NovaMedica is required to reimburse the Company for any out-of-pocket expenses incurred in providing this assistance, including travel-related expenses.

**Eddingpharm** – In April 2013, the Company entered into a License and Development Agreement (the "Eddingpharm License Agreement") and a Series B-1 purchase agreement (the "Eddingpharm Purchase Agreement") with Eddingpharm International Company Limited ("Eddingpharm"). Under the terms of the Eddingpharm License Agreement, Eddingpharm, in exchange for rights to develop and commercialize entinostat in China and certain other Asian countries, purchased \$5.0 million of Series B-1 and agreed to make certain

## SYNDAX PHARMACEUTICALS, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

contingent milestone and royalty payments based on revenue targets. In certain cases, the Company is required to assist Eddingpharm, and Eddingpharm is required to reimburse the Company for any out-of-pocket expenses incurred in providing this assistance, including reimbursement for person-hours above a certain cap.

**Lease Commitments**

In December 2013, the Company entered into a 40-month lease for office space in Waltham, Massachusetts. The Company also leases office equipment, which is accounted for as a capital lease. The leased assets are included in property and equipment at cost.

Future annual minimum payments as of December 31, 2014, are as follows (in thousands):

	<u>Operating Leases</u>	<u>Capital Lease Obligations</u>
For the years ended December 31,		
2015	\$ 118	\$ 3
2016	123	3
2017	31	4
2018	—	3
Total minimum lease payments	<u>\$ 272</u>	<u>\$ 13</u>
Less amounts representing interest		2
Present value of net minimum lease payments		<u>\$ 11</u>

Rent expense for operating leases is calculated on a straight-line basis and amounted to \$0.1 million for the years ended December 31, 2013 and 2014.

**15. Employee Benefit Plan**

The Company has a Section 401(k) defined contribution savings plan for its employees. The plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pretax basis, subject to legal limitations. Company contributions to the plan may be made at the discretion of the Board. For the two years ended December 31, 2014, the Company had made no contributions to the plan.

**16. Related-Party Transactions**

As of December 31, 2013 and 2014, an aggregate of \$0 and \$5.0 million, respectively, of principal outstanding under the convertible notes and \$0 and \$0.1 million, respectively, of related accrued interest were held by stockholders of the Company. Interest expense related to the convertible notes held by these stockholders was \$0.3 million and \$0.1 million for the years ended December 31, 2013 and 2014, respectively.

**17. Subsequent Events**

The Company has evaluated subsequent events for financial statement purposes occurring through the date that these consolidated financial statements were issued, and determined that no additional subsequent events had occurred that would require recognition in these consolidated financial statements and that all subsequent events that require disclosure have been disclosed.

**SYNDAX PHARMACEUTICALS, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(In thousands, except share and per share data)*

	December 31, 2014	September 30, 2015 (unaudited)	Pro forma September 30, 2015 (unaudited)
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 10,009	\$ 54,214	
Restricted cash	51	51	
Short-term investments	2,082	45,985	
Short-term deposits	117	262	
Prepaid expenses and other current assets	185	759	
Total current assets	12,444	101,271	
Property and equipment, net	33	70	
Other assets	339	1,498	
Total assets	<u>\$ 12,816</u>	<u>\$ 102,839</u>	
<b>LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' (DEFICIT) EQUITY</b>			
Current liabilities:			
Current portion of long-term debt	\$ 1,449	\$ 8,175	
Convertible notes	5,000	-	
Accounts payable	354	1,240	
Accrued expenses and other current liabilities	3,543	2,837	
Current portion of deferred revenue	-	1,220	
Total current liabilities	<u>10,346</u>	<u>13,472</u>	
Long-term liabilities:			
Long-term debt, less current portion	7,435	-	
Common stock warrant liability	693	2,778	\$ -
Deferred revenue, less current portion	-	15,745	
Other long-term liabilities	58	85	
Total long-term liabilities	<u>8,186</u>	<u>18,608</u>	
Total liabilities	<u>18,532</u>	<u>32,080</u>	
Convertible preferred stock (Note 9)	146,853	315,597	-
Stockholders' (deficit) equity:			
Series A convertible preferred stock, \$0.001 par value, 4,390,243 shares authorized at December 31, 2014 and September 30, 2015; 875,545 shares issued and outstanding at December 31, 2014 and September 30, 2015; and none issued or outstanding pro forma (unaudited)	7,231	7,231	-
Common stock, \$0.0001 par value, 12,000,000 and 26,000,000 shares authorized at December 31, 2014 and September 30, 2015, respectively; 73,152 and 102,790 shares issued and outstanding at December 31, 2014, and September 30, 2015, respectively; 100,000,000 shares authorized; 16,193,547 shares issued and outstanding, pro forma (unaudited)	1	1	2
Additional paid-in capital	-	-	325,605
Accumulated other comprehensive income	-	17	17
Accumulated deficit	(159,801)	(252,087)	(252,087)
Total stockholders' (deficit) equity	<u>(152,569)</u>	<u>(244,838)</u>	<u>\$ 73,537</u>
Total liabilities, convertible preferred stock and stockholders' (deficit) equity	<u>\$ 12,816</u>	<u>\$ 102,839</u>	

The accompanying notes are an integral part of these condensed consolidated financial statements.



**SYNDAX PHARMACEUTICALS, INC.**  
**(unaudited)**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
*(In thousands, except share and per share data)*

	Nine Months Ended September 30,	
	2014	2015
Revenues:		
License fees	\$ —	\$ 322
Total revenues	<u>—</u>	<u>322</u>
Operating expenses:		
Research and development	8,720	6,962
General and administrative	9,323	9,194
Total operating expenses	<u>18,043</u>	<u>16,156</u>
Loss from operations	(18,043)	(15,834)
Other income (expense):		
Interest income (expense), net	(24)	(890)
Change in fair value of common stock warrant liability	1,787	(2,085)
Other income (expense), net	—	(47)
Total other income (expense)	<u>1,763</u>	<u>(3,022)</u>
Net loss	<u>\$ (16,280)</u>	<u>\$ (18,856)</u>
Other comprehensive loss:		
Unrealized gains on marketable securities	\$ —	\$ 17
Comprehensive loss	<u>\$ (16,280)</u>	<u>\$ (18,839)</u>
Net loss attributable to common stockholders	<u>\$ (21,164)</u>	<u>\$ (95,066)</u>
Net loss per share attributable to common stockholders—basic and diluted	<u>\$ (291.55)</u>	<u>\$ (1,200.18)</u>
Weighted-average number of common shares used to compute net loss per share attributable to common stockholders— basic and diluted	<u>72,591</u>	<u>79,210</u>
Pro forma net loss per share attributable to common stockholders—basic and diluted		<u>\$ (1.57)</u>
Pro forma weighted-average common shares used to compute pro forma net loss per share attributable to common stockholders—basic and diluted		<u>10,582,324</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**SYNDAX PHARMACEUTICALS, INC.**  
**(unaudited)**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(In thousands)*

	Nine Months Ended September 30,	
	2014	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$(16,280)	\$(18,856)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation	11	10
Amortization and accretion	34	447
Stock-based compensation	1,847	2,712
Change in fair value of derivative	–	17
Change in fair value of warrants	(1,787)	2,085
Write-off of deferred costs associated with postponed IPO	4,319	–
Changes in operating assets and liabilities:		
Deposits	36	(175)
Prepaid expenses and other assets	53	(544)
Accounts payable	(715)	430
Deferred revenue	–	16,965
Accrued expenses and other liabilities	1,564	(1,224)
Net cash (used in) provided by operating activities	<u>(10,918)</u>	<u>1,867</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	–	(18)
Purchases of short-term investments	(1,298)	(68,722)
Proceeds from sales and maturities of short-term investments	5,286	24,629
Net cash provided by (used in) investing activities	<u>3,988</u>	<u>(44,111)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on capital lease obligation	(1)	(2)
Proceeds from issuance of convertible preferred stock, net	–	87,323
Proceeds from issuance of debt	9,947	–
Proceeds from exercise of stock options	6	180
Payments on term loans	–	(750)
Deferred issuance costs	(1,537)	(302)
Net cash provided by financing activities	<u>8,415</u>	<u>86,449</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,485	44,205
CASH AND CASH EQUIVALENTS—beginning of period	10,104	10,009
CASH AND CASH EQUIVALENTS—end of period	<u>\$ 11,589</u>	<u>\$ 54,214</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Interest paid	\$ 1	\$ 603
<b>SUPPLEMENTAL DISCLOSURES OF NONCASH FINANCING ACTIVITIES:</b>		
Accretion of convertible preferred stock to redemption value	\$ –	\$ 69,715
Accretion of dividends on convertible preferred stock	\$ 4,884	\$ 6,495
Conversion of convertible notes and accrued interest into Series C-1 convertible preferred stock	\$ –	\$ 5,211
Term loan proceeds allocated to derivative liability	\$ 130	\$ –
Issuance costs included in accounts payable and accrued expenses	\$ 685	\$ 928
Vesting of restricted stock	\$ –	\$ 4

The accompanying notes are an integral part of these condensed consolidated financial statements.

SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
September 30, 2015

**1. Nature of Business and Summary of Significant Accounting Policies**

**Nature of Business** – Syndax Pharmaceuticals, Inc. (the “Company”) is a clinical stage biopharmaceutical company developing entinostat as a combination therapy in multiple cancer indications with an initial focus on tumors that have shown sensitivity to immunotherapy, including lung cancer, melanoma and triple negative breast cancer. The Company was incorporated under the laws of the State of Delaware on October 11, 2005 (date of inception) and is headquartered in Waltham, Massachusetts.

**Basis of Presentation** – The accompanying condensed balance sheet as of September 30, 2015, statements of operations and comprehensive loss and statements of cash flows for the nine months ended September 30, 2014 and 2015 are unaudited. The interim unaudited condensed financial statements have been prepared on the same basis as the annual audited financial statements; and in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the Company’s financial position as of September 30, 2015 and the results of operations, comprehensive loss, and cash flows for the nine months ended September 30, 2014 and 2015. The financial data and other information disclosed in these notes as of September 30, 2014 and 2015 are unaudited. The results for the nine months ended September 30, 2015 are not necessarily indicative of the results to be expected for the year ending December 31, 2015, any other interim periods, or any future year or period.

**Management’s Plans** – Since its inception, the Company has devoted its efforts principally to research and development and raising capital. The Company is subject to risks common to companies in the development stage, including, but not limited to, successful development of therapeutics, obtaining additional funding, protection of proprietary therapeutics, compliance with government regulations, fluctuations in operating results, dependence on key personnel and collaborative partners, and risks associated with industry changes. The Company has financed its operations to date primarily with the proceeds from the sale of convertible preferred stock and the issuance of notes payable.

The Company’s long-term success is dependent upon its ability to successfully develop and market entinostat, earn revenue, obtain additional capital when needed, and ultimately, achieve profitable operations. The Company anticipates that it will be several years before entinostat is approved and the Company begins to generate revenue from sales of entinostat; accordingly, management fully expects to incur substantial losses on the ongoing development of entinostat and does not expect to achieve positive cash flow from operations for the foreseeable future. As a result, the Company will continue to require additional capital to move forward with its business plan. While certain amounts of this additional capital were raised in the past, there can be no assurance that funds necessary beyond these amounts will be available in amounts or on terms sufficient to ensure ongoing operations.

The Company’s management believes that the September 30, 2015, cash, cash equivalents and short-term investments of \$100.2 million should enable the Company to maintain its current and essential planned operations for at least the next 12 months. The Company’s ability to fund all of its planned operations internally beyond that date, including the completion of its ongoing and planned clinical trial activities may be substantially dependent upon whether the Company can obtain sufficient funding at terms acceptable to the Company. Proceeds from additional capital transactions would allow the Company to accelerate and/or expand its planned research and development activities. In the event that sufficient funds were not available, the Company may be required to delay or reduce expenditures to conserve cash, which could involve scaling back or curtailing development and general and administrative activities.

**Principles of Consolidation** – In 2011, the Company established a wholly owned subsidiary in the United Kingdom. There have been no activities for this entity to date. In 2014, the Company established Syndax

SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

Securities Corporation. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

**Unaudited Pro Forma Information** – The unaudited pro forma consolidated balance sheet information as of September 30, 2015, reflects (i) the conversion of 875,545 shares of Series A convertible preferred stock (“Series A”) into 175,107 shares of common stock and (ii) the conversion of an aggregate of shares of Series A-1 convertible preferred stock (“Series A-1”), Series B convertible preferred stock (“Series B”), Series B-1 convertible preferred stock (“Series B-1”) and Series C-1 convertible preferred stock (“Series C-1”) into 15,915,650 shares of common stock, which along with the 102,790 shares of outstanding common stock will reflect an aggregate total of 16,193,547 shares of common stock immediately prior to the closing of the proposed initial public offering (“IPO”).

**Use of Estimates** – The preparation of condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of costs and expenses during the reporting period. The Company bases estimates and assumptions on historical experience when available and on various factors that it believes to be reasonable under the circumstances. The Company evaluates its estimates and assumptions on an ongoing basis. The Company’s actual results may differ from these estimates under different assumptions or conditions.

**Segment Reporting** – Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker in making decisions regarding resource allocation and assessing performance. The Company has one operating segment.

**Other Assets** – Other assets primarily consist of deferred issuance costs, which consist of direct incremental legal and accounting fees related to the Company’s IPO and issuance of debt. As of September 30, 2014 and 2015, the Company had capitalized deferred IPO issuance costs of \$0 and \$1.2 million, respectively. Future costs will be deferred until the completion of the IPO, at which time they will be reclassified to additional paid-in capital as a reduction of the IPO proceeds. If the Company terminates its plan for an IPO, any costs deferred will be expensed immediately. The deferred debt issuance costs are related to the Company’s term loans and convertible notes and are amortized as interest expense over the period that the related debt instruments are outstanding. As of September 30, 2014 and 2015, the Company had capitalized debt issuance costs of \$0.3 million and \$0.2 million, respectively.

**Significant Accounting Policies** – The Company’s significant accounting policies are disclosed in the audited consolidated financial statements for the year ended December 31, 2014, included elsewhere in this prospectus. Since the date of those financial statements, there have been no changes to our significant accounting policies.

**Recently Issued Accounting Pronouncements** – In April 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (“ASU 2015-03”). This standard amends existing guidance to require the presentation of debt issuance costs in the balance sheet as a deduction from the carrying amount of the related debt liability rather than as a deferred charge. It is effective for annual reporting periods beginning after December 15, 2015, but early adoption is permitted. As of September 30, 2015, the Company had \$0.2 million of debt issuance costs in other assets in the condensed consolidated balance sheets that would be subject to the reclassification.

## SYNDAX PHARMACEUTICALS, INC.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

**2. Net Loss per Share Attributable to Common Stockholders**

Basic net loss attributable to common stockholders per share is computed by dividing the net loss attributable to common stockholders by the weighted-average number of common shares outstanding for the period. Because the Company has reported a net loss for the nine months ended September 30, 2014 and 2015, diluted net loss per common share is the same as basic net loss per common share for those periods.

The following table summarizes the computation of basic and diluted net loss per share attributable to common stockholders of the Company (in thousands, except per share data):

	Nine Months Ended September 30,	
	2014	2015
<b>Numerator—basic and diluted:</b>		
Net loss	\$(16,280)	\$ (18,856)
Accretion of convertible preferred stock dividends	(4,884)	(6,495)
Accretion of convertible preferred stock to redemption value	—	(69,715)
Net loss attributable to common stockholders—basic and diluted	<u>\$(21,164)</u>	<u>\$ (95,066)</u>
Net loss per share attributable to common stockholders—basic and diluted	<u>\$(291.55)</u>	<u>\$(1,200.18)</u>
<b>Denominator—basic and diluted:</b>		
Weighted-average common shares used to compute net loss per share—basic and diluted	<u>72,591</u>	<u>79,210</u>

The following potentially dilutive securities have been excluded from the computation of diluted weighted-average shares outstanding because such securities have an antidilutive impact due to losses reported (in common stock equivalent shares):

	September 30,	
	2014	2015
Convertible preferred stock	7,807,593	16,090,757
Restricted stock subject to future vesting	—	20,274
Options to purchase common stock	924,362	3,236,470
Common stock warrants	156,833	346,442

The unaudited pro forma basic and diluted loss per share attributable to common stockholders for the nine months ended September 30, 2015, has been computed using the weighted-average number of shares of common stock outstanding after giving pro forma effect to (i) the automatic conversion of all shares of convertible preferred stock into shares of common stock and (ii) the conversion of convertible notes into shares of convertible preferred stock and then converted into shares of common stock as if such conversions had occurred at the beginning of the period presented or the date of original issuance, if later. Upon conversion of the convertible preferred stock into common stock in the event of an IPO, the holders of the convertible preferred stock are not entitled to receive undeclared dividends. Accordingly, the impact of the accretion of accrued but unpaid dividends has been excluded from the determination of net loss attributable to common stockholders as the holders of the convertible preferred stock are not entitled to receive accrued but unpaid dividends upon such conversion. The impact of recording accretion to redemption value during nine months ended September 30,

## SYNDAX PHARMACEUTICALS, INC.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

2015 has also been excluded from the determination of net loss applicable to common stockholders, assuming the conversion occurred on the date of issuance. The interest expense associated with the convertible debt prior to conversion has been excluded from the determination of net loss attributable to common stockholders as this expense would not have occurred if the notes had converted at the beginning of the period presented. The gains and losses associated with the changes in the fair value of the common stock warrant have been excluded from the determination of net loss attributable to common stockholders for the nine months ended September 30, 2015, as these re-measurements would not have occurred if the common stock warrant converted at the beginning of the period presented.

Unaudited pro forma basic and diluted loss per share attributable to common stockholders are computed as follows (in thousands, except share and per share data):

	<u>Nine Months Ended</u> <u>September 30, 2015</u> <u>(unaudited)</u>
<b>Numerator—basic and diluted:</b>	
Net loss attributable to common stockholders—basic and diluted	\$ (95,066)
Accretion of convertible preferred stock dividends	6,495
Accretion of convertible preferred stock to redemption value	69,715
Interest expense related to convertible notes	125
Change in fair value of common stock warrant liability	2,085
Pro forma net loss attributable to common stockholders—basic and diluted	<u>\$ (16,646)</u>
<b>Denominator—basic and diluted:</b>	
Weighted-average number of shares outstanding—basic and diluted	79,210
Adjustment for assumed effect of conversion of convertible notes and related accrued interest into common stock	259,215
Adjustment for assumed effect of conversion of convertible preferred stock	<u>10,243,899</u>
Pro forma weighted-average number of common shares used to compute pro forma net loss per share—basic and diluted	<u>10,582,324</u>
Pro forma net loss per share—basic and diluted	<u>\$ (1.57)</u>

### 3. Significant Agreements

**Kyowa Hakko Kirin Co., Ltd.** – On December 19, 2014, (the “Effective Date”) the Company entered into a license agreement (the “KHK License Agreement”) with Kyowa Hakko Kirin Co., Ltd. (“KHK”), under which the Company granted an exclusive license to develop and commercialize entinostat in Japan and Korea. Under the terms of the KHK License Agreement, the Company is responsible for the manufacture and supply of the products during the development activities. In addition to the license and manufacturing obligations, the Company is obligated to provide KHK access to know-how and regulatory information the Company may develop over the life of the entinostat patent. Lastly, to the extent additional intellectual property is developed during the term of the agreement, KHK is entitled to receive the right to the intellectual property when and if available. KHK will conduct the development, regulatory approval filings, and commercialization activities of entinostat in Japan and Korea. KHK paid \$25.0 million upfront, which included a \$7.5 million equity investment of 670,062 shares of Series B-1 convertible preferred stock and a \$17.5 million non-refundable payment. In addition, to the extent certain development and commercial milestones are achieved, KHK will pay the Company up to \$75.0 million in milestone payments over the term of the license agreement. The term of the agreement

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commenced on the Effective Date and, unless earlier terminated in accordance with the terms of the agreement, will continue on a country-by-country and product-by-product basis, until the later of: (i) the date all valid claims of the last effective patent among the Company's patents expires or is abandoned, withheld, or is otherwise invalidated in such country; and (ii) 15 years from the date of the first commercial sale of a product in the Japan or Korea.

The purchase of the Series B-1 and the up-front payment of the license fee were accounted for separately. The Company allocated the amount of consideration related to Series B-1 equal to the fair value of the Series B-1 shares on the effective date of the KHK License Agreement based on a share price of \$11.51 per share, which resulted in \$7.7 million of proceeds allocated to the Series B-1 and the remaining consideration of \$17.3 million allocated to the up-front license fee. The fair value of the Series B-1 of \$11.51 per share was based on the results of a contemporaneous valuation. The Company received \$7.5 million and issued the Series B-1 in January 2015 and received the remaining \$17.5 million in February 2015. On the date of issuance, the Company recorded accretion of \$5.4 million to record the Series B-1 at its redemption value.

The Company has concluded that this agreement is within the scope of ASC 605-25, *Revenue Recognition, Multiple-Element Arrangements*. Pursuant to this guidance, the Company identified the following deliverables: (i) licenses; (ii) clinical supply and manufacturing obligations; (iii) rights to access and use materials and data; and (iv) rights to additional intellectual property. All other potential deliverables included in the arrangement have been deemed either contingent or inconsequential or perfunctory, individually and in the aggregate. Moreover, the Company has evaluated all deliverables included in the KHK License Agreement and determined that there are two units of accounting in connection with its obligations at inception under the KHK License Agreement: (i) license unit of accounting; and (ii) rights to additional intellectual property. The first three deliverables identified above comprise the license unit of accounting. The Company concluded that the standalone selling price for the rights to additional intellectual property unit of account is immaterial. As such, the entire \$17.3 million allocated to the upfront payment will be allocated to the license unit of accounting. The arrangement consideration allocated to the license unit of accounting will be recognized as revenue ratably over the Company's expected services period (currently expected to be through 2029) commencing on the date of the first delivery of the clinical trial materials.

In June 2015 the Company began delivering clinical materials to KHK and commenced recognizing revenue from the upfront consideration of \$17.3 million. During the nine months ended September 30, 2015, the Company recognized \$0.3 million, of revenue associated with the KHK License Agreement. As of September 30, 2015, there was \$17.0 million of deferred revenue related to the KHK License Agreement, which is classified as current or long-term in the condensed consolidated balance sheets.

**Eastern Cooperative Oncology Group** – In March 2014, the Company entered into a clinical trial agreement (the "ECOG Agreement") with Eastern Cooperative Oncology Group, a contracting entity for the Eastern Cooperative Oncology Group—American College of Radiology Imaging Network Cancer Research Group ("ECOG-ACRIN"), that describes the parties' obligations with respect to the NCI-sponsored pivotal Phase 3 clinical trial of entinostat. Under the terms of the ECOG Agreement, ECOG-ACRIN will perform this clinical trial in accordance with the clinical trial protocol and a mutually agreed scope of work. The Company will provide a fixed level of financial support for the clinical trial through an upfront payment of \$0.7 million and a series of time- and milestone-based payments of up to \$1.0 million, and is obligated to supply entinostat and placebo to ECOG-ACRIN for use in the clinical trial. In February 2015, the Company amended the ECOG Agreement to include an additional \$1.2 million of payment obligations; and as of the effective date of the amendment, the Company's aggregate payment obligations are \$20.6 million.

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Data and inventions from the Phase 3 clinical trial are owned by ECOG-ACRIN. The Company has access to the data generated in the clinical trial, both directly from ECOG-ACRIN under the ECOG Agreement as well as from the NCI. Additionally, ECOG-ACRIN has granted the Company a non-exclusive royalty-free license to any inventions or discoveries that are derived from entinostat as a result of its use during the clinical trial, along with a first right to negotiate an exclusive license to any of these inventions or discoveries. Either party may terminate the ECOG Agreement in the event of an uncured material breach by the other party or if the FDA or NCI withdraws the authorization to perform the clinical trial in the United States. The parties may jointly terminate the ECOG Agreement if the parties agree that safety-related issues support termination of the clinical trial.

The Company records the appropriate clinical trial expenses in its financial statements by matching those expenses with the period in which the services and efforts are expended. The Company accounts for these expenses according to the progress of the clinical trial as measured by patient enrollment and the timing of various aspects of the clinical trial. The Company determines accrual estimates through financial models, taking into account discussion with applicable personnel and ECOG-ACRIN as to the progress or state of consummation of the clinical trial or the services completed.

**Bayer Pharma AG (formerly known as Bayer Schering Pharma AG)** – In March 2007, the Company entered into a license agreement (the “Bayer Agreement”) with Bayer Schering Pharma AG (“Bayer”) for a worldwide, exclusive license to develop and commercialize entinostat and any other products containing the same active ingredient. Under the terms of the Bayer Agreement, the Company paid a nonrefundable up-front license fee of \$2.0 million and is responsible for the development and marketing of entinostat. The Company recorded the \$2.0 million license fee as research and development expense during the year ended December 31, 2007, as it had no alternative future use. The Company will pay Bayer royalties on a sliding scale based on net sales, if any, and make future milestone payments to Bayer of up to \$150.0 million in the event that certain specified development and regulatory goals and sales levels are achieved. In June 2014, a development milestone was achieved, and the Company recorded \$2.0 million of research and development expense. The milestone payment was originally due on July 30, 2014. During the third quarter of 2014, the Company negotiated the following extended payment terms: \$1.0 million is due before December 31, 2014; and \$1.0 million before the earlier of (i) the Company’s receipt of at least \$50.0 million in gross proceeds from an equity financing or (ii) July 31, 2015. Interest was being accrued at LIBOR plus 2% per annum during the period the amount is outstanding. The outstanding balance related to this milestone payment as of December 31, 2014, of \$1.0 million was paid in January 2015.

In connection with the Bayer Agreement, the Company issued to Bayer a warrant to purchase the number of shares of the Company’s common stock equal to 1.75% of the shares of common stock outstanding on a fully diluted basis as of the earlier of the date the warrant is exercised or the closing of the Company’s IPO. The warrant contains anti-dilution protection to maintain Bayer’s potential ownership at 1.75% of the shares of common stock outstanding on a fully diluted basis, which requires that the actual number of shares of common stock issuable pursuant to the warrant be increased or decreased for any changes in the fully diluted shares of common stock outstanding. The warrant is exercisable at an exercise price of \$1.23 per share and expires upon the earlier of the 10-year anniversary of the closing of the Company’s IPO or the date of the consummation of a disposition transaction.



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## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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The warrant is classified as a long-term liability and recorded at fair value with the changes in the fair value recorded in other income (expense). The Company uses the Black-Scholes option-pricing model to determine the fair value of the warrant. The total shares exercisable under the warrant, the fair value associated with the warrant and the Black-Scholes option-pricing model assumptions used to value the shares of common stock issuable pursuant to the warrant are as follows (in thousands, except share data):

September 30,	Total Shares of Common Stock Issuable Under the Warrant	Average Exercise Price	Fair Value of Common Stock	Estimated Volatility	Risk-Free Interest Rate	Estimated Dividend Yield	Estimated Remaining Contractual Life (in years)	Fair Value of Warrant Liability
2014	156,833	\$ 1.23	\$ 5.08	72%	2.24%	0.0%	7.30	\$ 695
2015	346,442	\$ 1.23	\$ 8.72	73%	1.85%	0.0%	8.00	\$ 2,778

**University of Colorado** – In July 2007, the Company entered into an exclusive option agreement (the “Option Agreement”) with the Regents of the University of Colorado (“Colorado”), whereby the Company was granted the exclusive 12-month option to license at a future date certain patents owned by Colorado. Under the terms of the Option Agreement, the Company agreed to reimburse Colorado for fees and costs incurred to date and ongoing patent prosecution costs. From September 2008 to December 2010, the Company paid Colorado a total of \$0.1 million to extend the option period through December 31, 2010 for certain of the patents, and paid patent prosecution costs on those patents. In April 2013, the Company entered into an exclusive license agreement (the “Colorado Agreement”) with Colorado for certain of the patents owned by Colorado. Under the terms of the Colorado Agreement, the Company will pay Colorado a license fee of \$0.2 million, with \$0.1 million payable within 30 days of execution of the Colorado Agreement and the balance upon the close of a financing with proceeds specifically earmarked in writing for the development of a lung cancer indication involving the licensed patents. In each case, the license fee is payable in cash or the equivalent value of shares of the Company’s common stock. Upon the execution of the Colorado Agreement in April 2013, the Company recorded a liability of \$0.1 million in research and development expense. In November 2013, the Company issued 20,325 shares of its common stock to University License Equity Holdings, Inc. (“ULEH”), an affiliate of Colorado, to extinguish the liability and recorded additional research and development expense of \$0.3 million to reflect the fair value of shares granted to ULEH. Under the Colorado Agreement, the Company is obligated to pay Colorado royalties on net sales, if any, and milestone payments related to the achievement of certain clinical and regulatory goals. As of December 31, 2014, none of these goals had been achieved, and no milestones were payable. The Colorado Agreement was terminated in the first quarter of 2015. There were no incremental obligations in connection with the termination of the agreement.

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**4. Fair Value Measurements**

The carrying amounts of cash and cash equivalents, restricted cash, accounts payable, and accrued expenses approximated their estimated fair values due to the short-term nature of these financial instruments.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value are performed in a manner to maximize the use of observable inputs and minimize the use of unobservable inputs. The accounting standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value, which are the following:

- Level 1* — Quoted prices in active markets that are accessible at the market date for identical unrestricted assets or liabilities.
- Level 2* — Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs for which all significant inputs are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3* — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

During the periods presented, the Company has not changed the manner in which it values assets and liabilities that are measured at fair value using Level 3 inputs. The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers within the hierarchy during the periods presented.

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A summary of the assets and liabilities carried at fair value in accordance with the hierarchy defined above is as follows (in thousands):

	Fair Value Measurements Using			
	Total Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>December 31, 2014</b>				
Assets:				
Cash equivalents	\$ 4,986	\$ 4,483	\$ 503	\$ –
Short-term investments	2,082	–	2,082	–
Total assets	<u>\$ 7,068</u>	<u>\$ 4,483</u>	<u>\$ 2,585</u>	<u>\$ –</u>
Liabilities:				
Derivative liability	\$ 126	\$ –	\$ –	\$ 126
Common stock warrant liability	693	–	–	693
Total liabilities	<u>\$ 819</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 819</u>
<b>September 30, 2015</b>				
Assets:				
Cash equivalents	\$44,656	\$26,332	\$ 18,324	\$ –
Short-term investments	45,985	–	45,985	–
Total assets	<u>\$90,641</u>	<u>\$26,332</u>	<u>\$ 64,309</u>	<u>\$ –</u>
Liabilities:				
Derivative liability	\$ 142	\$ –	\$ –	\$ 142
Common stock warrant liability	2,778	–	–	2,778
Total liabilities	<u>\$ 2,920</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 2,920</u>

Cash equivalents of \$4.5 million as of December 31, 2014 and \$26.3 million as of September 30, 2015, respectively, consisted of money market funds and are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets. Cash equivalents of \$0.5 million as of December 31, 2014 and \$18.3 million as of September 30, 2015, respectively, consisted of highly rated corporate bonds and are classified within Level 2 of the fair value hierarchy because pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Short-term investments of \$2.1 million as of December 31, 2014 and \$46.0 million as of September 30, 2015 consisted of commercial paper and highly rated corporate bonds and are classified within Level 2 of the fair value hierarchy because pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date; and fair value is determined through the use of models or other valuation methodologies.

The short-term investments are classified as available-for-sale securities; and as of September 30, 2015, the remaining contractual maturities of the available-for-sale securities were less than one year. At September 30, 2015, the balance in the Company's accumulated other comprehensive income was composed solely of activity

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related to the Company's available-for-sale securities. There were no realized gains or losses recognized on the sale or maturity of available-for-sale securities during the nine months ended September 30, 2015; and as a result, the Company did not reclassify any amounts out of accumulated other comprehensive income for the same period. The Company has a limited number of available-for-sale securities in insignificant loss positions as of September 30, 2015, which the Company does not intend to sell and has concluded it will not be required to sell before recovery of the amortized costs for the investment at maturity.

The following table summarizes the available-for-sale securities (in thousands):

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
<b>December 31, 2014</b>				
Corporate bonds	\$ 2,082	\$ —	\$ —	\$ 2,082
<b>September 30, 2015</b>				
Commercial paper	\$ 14,222	\$ 28	\$ —	\$14,250
Corporate bonds	31,746	2	(13)	31,735
	<u>\$ 45,968</u>	<u>\$ 30</u>	<u>\$ (13)</u>	<u>\$45,985</u>

A roll-forward of the recurring fair value measurements of the common stock warrant liability and derivative liability categorized with Level 3 inputs are as follows (in thousands):

	Common Stock Warrant Liability	Derivative Liability
Balance—December 31, 2013	\$ 2,482	\$ —
Change in fair value	(1,787)	130
Balance—September 30, 2014	<u>\$ 695</u>	<u>\$ 130</u>
	<b>Common Stock Warrant Liability</b>	<b>Derivative Liability</b>
Balance—December 31, 2014	\$ 693	\$ 126
Change in fair value	2,085	16
Balance—September 30, 2015	<u>\$ 2,778</u>	<u>\$ 142</u>

The common stock warrant liability was recorded at fair value determined by using the Black-Scholes option-pricing model. This method of valuation involves using inputs such as the fair value of the Company's common stock, stock price volatility, the contractual term of the warrant, risk-free interest rates, and dividend yields. Due to the nature of these inputs, the valuation of the warrants was considered a Level 3 measurement. See Note 3 for further discussion of the accounting for the Bayer common stock warrant, as well as for a summary of the significant inputs and assumptions used to determine the fair value of the warrant.

The derivative liability was recorded at fair value using the following assumptions: weighted-average probability of 75% likelihood of a successful IPO in 0.09 years; 25% to the sale of the Company in 1.75 years;

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and a market-based discount rate that will increase or decrease each period based on changes in the probability in the future cash flows. A significant fluctuation in the probability would not result in a material increase or decrease in the fair value of the derivative liability.

The following table presents the carrying value and estimated fair value of the Company's debt (in thousands):

	September 30, 2015	
	Carrying Value	Estimated Fair Value
Long-term debt	\$ 8,175	\$ 8,701

The carrying value of long-term debt is net of debt discount. The fair value of the long-term debt is based on the discounted future cash flows of the long-term debt using a discount rate derived from market interest rates based on the creditworthiness of the Company. The valuation of the long-term debt is classified within Level 3 of the hierarchy of fair value measurements.

**5. Prepaid Expenses and Other Current Assets**

Prepaid expenses and other current assets consisted of the following (in thousands):

	December 31, 2014	September 30, 2015
Prepaid clinical supplies	\$ –	\$ 303
Interest receivable on short-term investments	35	258
Other	150	198
Total prepaid expenses and other current assets	<u>\$ 185</u>	<u>\$ 759</u>

**6. Accrued Expenses and Other Current liabilities**

Accrued expenses and other current liabilities consisted of the following (in thousands):

	December 31, 2014	September 30, 2015
Accrued license fees	\$ 1,000	\$ 25
Accrued professional fees	954	854
Accrued compensation and related costs	653	473
Accrued clinical costs	646	977
Derivative liability	126	142
Accrued interest	124	60
Other	40	306
Total accrued expenses	<u>\$ 3,543</u>	<u>\$ 2,837</u>

**7. Convertible Notes**

In September 2014, the Company entered into a bridge loan financing with various investors, in which it issued convertible unsecured promissory notes for an aggregate principal amount of \$5.0 million (the "2014

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Notes”), in two closings. The first closing occurred in September 2014 and \$4.9 million was received, and the balance of \$0.1 million was received in October 2014. The 2014 Notes accrue interest at 6% per annum and mature on September 30, 2015 (the “Maturity Date”). The 2014 Notes were convertible upon the occurrence of the certain events during the period that the loans are outstanding. In June 2015, in conjunction with the Series C-1 financing, the outstanding principal of \$5.0 million of the 2014 Notes and the related accrued interest of \$0.2 million were converted into 465,563 shares of Series C-1 at \$11.193 per share, which was the same price paid by Series C-1 investors.

**8. Long-term Debt**

**Solar Capital, Ltd Term Loan** – In June 2014, the Company entered into a loan and security agreement with Solar Capital Ltd. (“Solar”), as collateral agent and lender, consisting of a \$15.0 million senior secured term loan facility. The loan is secured by substantially all of the Company’s existing and after-acquired assets except its intellectual property, but including right of payment with respect to any such intellectual property and all proceeds from the disposition of any such intellectual property. The intellectual property of the Company is subject to a negative pledge. In September and December 2014, the Company amended the term loan facility. The term loan facility has a maturity date of June 13, 2018.

In September 2014, the initial term loan (the “Term A Loan”), in the aggregate principal amount of \$5.0 million was funded; and in December 2014, a second term loan (the “Term C Loan”) in the aggregate principal amount of \$4.0 million was funded with the following post-closing conditions: pursuant to the KHK License Agreement, the Company was required to receive \$7.5 million in net equity proceeds no later than January 9, 2015 and was required to receive \$17.5 million in license-related proceeds no later than February 13, 2015, or return the \$4.0 million of proceeds from Term Loan C to Solar. The Company achieved the post-closing conditions.

Interest accrues at a floating rate per annum equal to LIBOR plus 8.8%, payable monthly in arrears (which was 9.0% as of September 30, 2015). The Company is required to make interest-only payments on any term loans funded under the term loan facility until July 1, 2015; and beginning on July 1, 2015, it is required to make payments of principal plus accrued interest in equal monthly installments until the maturity date. Upon the completion of an IPO or upon the occurrence of certain change of control or liquidity events, the Company is required to pay a \$0.2 million success fee that will be due on the earlier of the maturity date of the term loan facility or upon the occurrence of certain change of control or liquidity events. The Company has recorded the success fee as a derivative financial liability. The initial fair value of the derivative of \$0.1 million has been recorded as a debt discount. In addition, the Company is required to pay a final fee equal to 4% of the amount of term loans funded that will be due on the earlier of the maturity date of the term loan facility or upon the occurrence of certain change of control or liquidity events. The Company is accruing the final fee of \$0.4 million on the outstanding term loans through interest expense using the effective-interest method from the date of issuance through the maturity date of the loan. As of September 30, 2015, \$0.1 million has been accrued for the final fee. The Company incurred \$0.3 million of debt issuance costs for this term loan facility, which will be amortized to interest expense over the period the loans are outstanding. The Company has the option to prepay the term loans provided it pays a prepayment fee equal to 2% of the outstanding principal if paid prior to the one-year anniversary and 1% of the outstanding principal if paid after the one-year anniversary of the funding.

On October 1, 2015, the Company prepaid the outstanding balance on the term loans of \$8.3 million plus accrued interest of \$0.1 million and a final fee and prepayment penalty of \$0.4 million. In the fourth quarter of 2015, the Company will record an expense of \$0.3 million for the final fee and prepayment penalty and will write-off \$0.3 million of unamortized debt discount and deferred issuance costs related to the term loans.

SYNDAX PHARMACEUTICALS, INC.

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9. Convertible Preferred Stock

Convertible preferred stock consisted of the following (in thousands, except share data):

<u>December 31, 2014</u>					
	<u>Preferred Shares Designated</u>	<u>Issuance Date</u>	<u>Preferred Shares Issued and Outstanding</u>	<u>Liquidation Preference</u>	<u>Carrying Value</u>
Series A-1	3,951,219	March 2013	3,502,185	\$ 44,896	\$ 62,530
Series B	4,227,642	March and August 2013	340,302	\$ 2,933	\$ 5,084
Series B-1	4,956,764	March, April, July, August and November 2013	3,789,999	\$ 79,239	\$ 79,239
Total					<u>\$146,853</u>
Series A	4,390,243	March and August 2013	875,545	\$ –	<u>\$ 7,231</u>
<u>September 30, 2015</u>					
	<u>Preferred Shares Designated</u>	<u>Issuance Date</u>	<u>Preferred Shares Issued and Outstanding</u>	<u>Liquidation Preference</u>	<u>Carrying Value</u>
Series A-1	3,951,219	March 2013	3,502,185	\$ 47,242	\$ 64,876
Series B	4,227,642	March and August 2013	340,302	\$ 2,933	\$ 5,084
Series B-1	4,956,764	March, April, July, August and November 2013 and January 2015	4,460,061	\$ 95,341	\$ 95,341
Series C-1	7,613,102	June and August 2015	7,613,102	\$150,296	\$150,296
Total					<u>\$315,597</u>
Series A	4,390,243	March and August 2013	875,545	\$ –	<u>\$ 7,231</u>

In accordance with the terms of the KHK License Agreement in January 2015, the Company issued 670,062 shares of Series B-1 at an issuance price of \$11.51 per share, the fair value of the Series B-1 based on the results of a contemporaneous valuation. On the date of issuance, the Company recorded accretion of \$5.4 million to record the convertible preferred stock at its redemption value.

In June 2015, the Company issued 2,140,712 shares of Series C-1 for \$18.5 million in cash, net of offering costs of \$0.2 million, and the conversion of the outstanding principal on the 2014 Notes of \$5.0 million and related accrued interest of \$0.2 million. On the date of issuance, the Company recorded accretion of \$18.2 million to record the convertible preferred stock at its redemption value.

In August 2015, the Company issued 5,472,390 additional shares of C-1 \$61.1 million, net of offering costs of \$0.2 million. One the date of issuance, the Company recorded accretion of \$46.1 million to record the convertible preferred stock at its redemption value.

As of September 30, 2015, the various series of convertible preferred stock have the following rights, preferences, privileges:

*Voting* – Holders of shares of convertible preferred stock have full voting rights and powers equal to the rights and powers of holders of shares of common stock, with respect to any matters upon which holders of

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shares of common stock have the right to vote. Holders of shares of convertible preferred stock are entitled to the number of votes equal to the largest number of shares of common stock into which such share of convertible preferred stock could be converted at the record date for determination of the stockholders entitled to vote on such matters. Holders of shares of Series A-1, B-1 and Series C-1, voting together as a separate class on an as-converted basis, are entitled to elect four members of the Board. The holders of Series C-1, voting as a separate class, are entitled to elect one member of the Board. Holders of shares of common stock, voting as a separate class, are entitled to elect two members of the Board. Holders of a majority of the outstanding shares of common stock and a majority of the outstanding shares of convertible preferred stock, each voting as a separate class on an as-converted basis, are entitled to elect two member of the Board. Holders of at least 60% of the outstanding shares of convertible preferred stock and a majority of the outstanding shares of common stock, each voting as a separate class on an as-converted basis, are entitled to elect any remaining directors.

*Conversion* – Each share of Series C-1, Series B-1, Series A-1, and Series B is convertible at the option of the holder into one share of common stock, subject to certain adjustments for dilution, if any, resulting from future stock issuances. Each share of Series A is convertible at the option of the holder into one-fifth of a share of common stock, subject to certain adjustments for dilution, if any, resulting from future stock issuances. The outstanding shares of convertible preferred stock automatically convert into common stock at the then effective conversion rate upon the earlier of (i) an underwritten public offering of our common stock in which aggregate proceeds are in excess of \$30.0 million at a public offering price of at least \$11.193 per share, as adjusted for any recapitalization event or (ii) the election of holders of at least 60% of the outstanding shares of convertible preferred stock, voting as a separate class on an as-converted basis.

*Dividends* – Holders of shares of Series C-1, in preference to holders of shares of Series A-1, Series A, Series B-1, Series B, and common stock, are entitled to receive, whether or not declared by the Board, cumulative dividends at the rate of 8% of the applicable original issue price per share per annum. Such dividends accrue and are cumulative from the date of the issuance of the Series C-1. No such dividends have been declared to date. After payment to the holders of shares of Series C-1, holders of shares of Series B-1, in preference to holders of shares of Series A-1, Series A, Series B, and common stock, are entitled to receive, whether or not declared by the Board, cumulative dividends at the rate of 8% of the applicable original issue price per share per annum. Such dividends accrue and are cumulative from the date of the issuance of the Series B-1. No such dividends have been declared to date. After payment to the holders of shares of Series C-1 and Series B-1, holders of shares of Series A-1, in preference to holders of shares of Series A, Series B and common stock, are entitled to receive, whether or not declared by the Board, cumulative dividends at the rate of 8% of the applicable original issue price per share per annum. Such dividends accrue and are cumulative from the date of the issuance of the Series A-1. No such dividends have been declared to date.

The Company cannot declare dividends on shares of any other class or series of capital stock unless the holders of shares of Series A-1, Series B-1 and Series C-1 first receive, on an as-converted basis, a dividend on each outstanding share of preferred stock in an amount at least equal to the product of (i) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into common stock and (ii) the number of shares of common stock issuable upon conversion of a share of the applicable preferred stock, in each case calculated on the record date for determination of holders entitled to receive such dividend.

As of September 30, 2015, the Company has recorded cumulative dividends on Series A-1, Series B-1 and Series C-1 of \$7.9 million, \$7.9 million and \$1.2 million, respectively.



## SYNDAX PHARMACEUTICALS, INC.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

*Liquidation* – In the event of any liquidation, dissolution, winding-up, sale or merger of the Company, whether voluntarily or involuntarily, each holder of shares of Series C-1 is entitled to receive, in preference to holders of shares of Series A-1, Series A, Series B-1, Series B, and common stock, a per share amount equal to the original issue price times a factor of 1.75, plus all accrued but unpaid dividends. After payment has been made to the holders of Series C-1, each holder of shares of Series B-1 is entitled to receive, in preference to holders of shares of Series A-1, Series A, Series B, and common stock, a per share amount equal to the original issue price times a factor of 1.75, plus all accrued but unpaid dividends. Each holder of shares of Series A-1 is entitled to receive, in preference to holders of shares of Series A, Series B, and common stock, a per share amount equal to the original issue price, plus all accrued but unpaid dividends. Each holder of shares of Series B is entitled to receive, in preference to holders of shares of Series A and common stock, a per share amount equal to the original issue price multiplied by 75%, plus all accrued but unpaid dividends. After the above payments have been made for the full amounts to which they are entitled, any remaining assets will be distributed pro rata among holders of shares of common stock, Series A-1, Series B-1, and Series A, on an as-converted basis. The Series A has no liquidation preferences.

**10. Stock-Based Compensation**

Under the Company's 2007 Stock Plan ("Stock Plan"), the board of directors has approved the issuance of up to 3,754,270 shares. As of September 30, 2015, there were 461,870 shares available for issuance under the 2007 Plan.

The Company recognized stock-based compensation expense related to the issuance of stock option awards to employees and non-employees in the consolidated statements of operations and comprehensive loss as follows (in thousands):

	Nine Months Ended September 30,	
	2014	2015
Research and development	\$ 452	\$ 603
General and administrative	1,395	2,109
Total	<u>\$ 1,847</u>	<u>\$ 2,712</u>

During the nine months ended September 30, 2015, the Company granted 2,392,392 stock options to certain executives, employees, and consultants. The grant date fair value of these options was \$10.9 million, or \$4.57 per share on a weighted-average basis and will be recognized as compensation expense over the requisite service period of three to four years.

There were 28,998 options exercised for the nine months ended September 30, 2015, resulting in total proceeds of \$0.1 million. In accordance with the Company's policy, the shares were issued from a pool of shares reserved for issuance under the Stock Plan.

The Stock Plan allows employees to exercise unvested options in exchange for restricted common stock. Such arrangements permit the Company to subsequently repurchase such shares at the exercise price if the vesting conditions are not satisfied. Such an exercise is not substantive for accounting purposes; therefore, the payment received by the Company for the exercise price is recognized as an early exercise liability on the Company's consolidated balance sheet and will be transferred to common stock and additional paid-in capital as such shares vest. The Company issued 20,914 shares of restricted common stock upon early exercise of stock options during the nine months ended September 30, 2015. As of September 30, 2015, 20,274 unvested shares

SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

were legally issued and outstanding. In connection with these unvested shares, the Company has recorded a liability of \$0.1 million, of which \$42,000 is included in accrued expenses and other current liabilities and \$70,000 is included in other long-term liabilities in the Company's consolidated balance sheet.

In May 2015, the vesting of certain options granted to a terminated employee was accelerated in accordance with the employment agreement, and the Company recognized \$0.5 million as compensation expense due to this acceleration in vesting. In addition, as part of the termination agreement, the vesting of certain options granted was accelerated and the exercise period for all of the options was extended. This change in vesting conditions and extension of time to exercise the options was accounted for as a modification of these stock options. The aggregate increase in the fair value of the options of \$0.2 million was immediately recognized as compensation expense.

As of September 30, 2015, there was \$10.1 million of unrecognized compensation cost related to employee and non-employee unvested stock options and unvested restricted stock share-based compensation arrangements granted under the Stock Plan, which is expected to be recognized over a weighted-average remaining service period of 3.4 years. Stock compensation costs have not been capitalized by the Company.

**11. Income Taxes**

The Company has not recorded any net tax provision for the periods presented due to the losses incurred and the need for a full valuation allowance on net deferred tax assets. The difference between the income tax expense at the U.S. federal statutory rate and the recorded provision is primarily due to the valuation allowance provided on all deferred tax assets.

**12. Related-Party Transactions**

In June 2015, the Company hired a Chief Executive Officer who was also appointed as a member of the Board. This individual is also a managing director at MPM Asset Management, LLC, which holds an investment in the Company's preferred stock.

In September 2014 the Company issued \$5.0 million of 2014 Notes to stockholders of the Company. In June 2015, in conjunction with the Series C-1 financing, the outstanding principal of \$5.0 million and the related accrued interest of \$0.2 million on the 2014 Notes were converted into 465,563 shares of Series C-1. As of September 30, 2015, no amount of principal or related accrued interest on the 2014 Notes was outstanding. Interest expense related to the 2014 Notes held by these stockholders was \$0.1 million for the nine months ended September 30, 2015.

SYNDAX PHARMACEUTICALS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

**13. Stockholders' Deficit**

The following table presents the changes in convertible preferred stock and stockholders' deficit for the nine months ended September 30, 2015, in thousands, except share and per share data):

	Convertible Preferred Stock \$0.001 Par Value		Series A Convertible Preferred Stock \$0.001 Par Value		Common Stock \$0.0001 Par Value		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2014	7,632,486	\$146,853	875,545	\$ 7,231	73,152	\$ 1	\$ -	\$ -	\$ (159,801)	\$ (152,569)
Issuance of Series B-1 convertible preferred stock in January 2015 in conjunction with KHK Agreement	670,062	7,713	-	-	-	-	-	-	-	-
Issuance of Series C-1 convertible preferred stock in June 2015, net of issuance costs of \$0.2 million	1,675,149	18,526	-	-	-	-	-	-	-	-
Conversion of 2014 Notes into Series C-1	465,563	5,211	-	-	-	-	-	-	-	-
Issuance of Series C-1 convertible preferred stock in August 2015, net of issuance costs of \$0.2 million	5,472,390	61,084	-	-	-	-	-	-	-	-
Accretion of convertible preferred stock to redemption value	-	69,715	-	-	-	-	(123)	-	(69,592)	(69,715)
Accretion for convertible preferred stock dividends	-	6,495	-	-	-	-	(2,657)	-	(3,838)	(6,495)
Exercise of common stock options	-	-	-	-	28,998	-	64	-	-	64
Vesting of restricted stock	-	-	-	-	640	-	4	-	-	4
Stock-based compensation expense	-	-	-	-	-	-	2,712	-	-	2,712
Unrealized gain on short-term investments	-	-	-	-	-	-	-	17	-	17
Net loss	-	-	-	-	-	-	-	-	(18,856)	(18,856)
Balance as of September 30, 2015	<u>15,915,650</u>	<u>\$315,597</u>	<u>875,545</u>	<u>\$ 7,231</u>	<u>102,790</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ (252,087)</u>	<u>\$ (244,838)</u>

**14. Subsequent Events**

The Company has evaluated subsequent events through the date on which these interim financial statements were issued, and determined that no additional subsequent events had occurred that would require recognition in these consolidated financial statements and that all subsequent events that require disclosure have been disclosed.



## **Shares**

**Common Stock**

**PRELIMINARY PROSPECTUS**

**Morgan Stanley**

**JMP Securities**

**Citigroup**

**Oppenheimer & Co.**

, 2016

**PART II****INFORMATION NOT REQUIRED IN PROSPECTUS****Item 13. Other Expenses of Issuance and Distribution.**

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable in connection with the registration of the common stock hereunder. All amounts are estimates, except the SEC registration fee, the FINRA filing fee and the NASDAQ Global Market listing fee.

	<u>Amount</u>
SEC registration fee	\$ 8,686
FINRA filing fee	13,438
NASDAQ Global Market listing fee	125,000
Accountants' fees and expenses	780,000
Legal fees and expenses	1,400,000
Transfer Agent's fees and expenses	10,000
Printing and engraving expenses	350,000
Miscellaneous	112,876
Total	<u>\$ 2,800,000</u>

**Item 14. Indemnification of Directors and Officers.**

Section 102(b)(7) of the Delaware General Corporation Law, or DGCL, provides that a Delaware corporation, in its certificate of incorporation, may limit the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duties as a director, except for liability for any:

- transaction from which the director derived an improper personal benefit;
- act or omission not in good faith or that involved intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or redemption of shares; or
- breach of the director's duty of loyalty to the corporation or its stockholders.

Section 145(a) of the DGCL provides, in general, that a Delaware corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) because that person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or other enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, so long as the person acted in good faith and in a manner he or she reasonably believed was in or not opposed to the corporation's best interests, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

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Section 145(b) of the DGCL provides, in general, that a Delaware corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action or suit by or in the right of the corporation to obtain a judgment in its favor because the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or other enterprise. The indemnity may include expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action, so long as the person acted in good faith and in a manner the person reasonably believed was in or not opposed to the corporation's best interests, except that no indemnification shall be permitted without judicial approval if a court has determined that the person is to be liable to the corporation with respect to such claim. Section 145(c) of the DGCL provides that, if a present or former director or officer has been successful in defense of any action referred to in Sections 145(a) and (b) of the DGCL, the corporation must indemnify such officer or director against the expenses (including attorneys' fees) he or she actually and reasonably incurred in connection with such action.

Section 145(g) of the DGCL provides, in general, that a corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or other enterprise against any liability asserted against and incurred by such person, in any such capacity, or arising out of his or her status as such, whether or not the corporation could indemnify the person against such liability under Section 145 of the DGCL.

Our amended and restated certificate of incorporation and our amended and restated bylaws, each of which will become effective immediately prior to the completion of this offering, provide for the indemnification of our directors and officers to the fullest extent permitted under the DGCL.

We entered into separate indemnification agreements with our directors and officers in addition to the indemnification provided for in our amended and restated bylaws. These indemnification agreements provide, among other things, that we will indemnify our directors and officers for certain expenses, including damages, judgments, fines, penalties, settlements and costs and attorneys' fees and disbursements, incurred by a director or officer in any claim, action or proceeding arising in his or her capacity as a director or officer of our company or in connection with service at our request for another corporation or entity. The indemnification agreements also provide for procedures that will apply in the event that a director or officer makes a claim for indemnification.

We also maintain a directors' and officers' insurance policy pursuant to which our directors and officers are insured against liability for actions taken in their capacities as directors and officers.

We intend to enter into an underwriting agreement, which provides for indemnification by the underwriters of us, our officers and directors, for certain liabilities, including liabilities arising under the Securities Act of 1933, as amended, or the Securities Act.

See also the undertakings set out in response to Item 17 herein.

**Item 15. Recent Sales of Unregistered Securities.**

The following lists set forth information regarding all securities sold or granted by us within the past three years that were not registered under the Securities Act (after giving effect to a -for- reverse stock split of our common stock and convertible preferred stock to be effected prior to the completion of this offering), and the consideration, if any, received by us for such securities:

**Issuances of Capital Stock**

(1) In March 2013, all outstanding shares of our Series A convertible preferred stock were recapitalized in a stock split whereby the holders of Series A convertible preferred stock received 10 shares of Series A convertible preferred stock for every one share owned. Each share of our Series A convertible preferred stock will convert into one-fifth of one share of our common stock upon completion of this offering.

(2) In March 2013, 3,939,957 shares of our Series A convertible preferred stock were converted into shares of our Series A-1 convertible preferred stock.

(3) In March, April, August and November 2013, we issued and sold, in a series of closings to 18 accredited investors, an aggregate of 3,535,442 shares of our Series B-1 convertible preferred stock in exchange for convertible debt, accrued interest and cash at a price per share of \$11.19 and an aggregate of 148,153 shares of our Series B convertible preferred stock in exchange for convertible debt and accrued interest at a price per share of \$11.19, for net proceeds of \$20.6 million. Each share of our Series B-1 and Series B convertible preferred stock will convert into one share of our common stock upon completion of this offering.

(4) In July and November 2013, we issued and sold, in a series of closings to an accredited investor, an aggregate of 446,706 shares of our Series B-1 convertible preferred stock in exchange for cash at a price per share of \$11.19, for gross proceeds of \$5.0 million. Each share of our Series B-1 convertible preferred stock will convert into one share of our common stock upon completion of this offering.

(5) In August 2013, 437,772 shares of our Series A-1 convertible preferred stock were converted into shares of our Series A convertible preferred stock.

(6) In August 2013, 192,149 shares of our Series B-1 convertible preferred stock were converted into shares of our Series B convertible preferred stock.

(7) In November 2013, we issued 20,325 shares of our common stock to an investor as consideration for license and option rights granted to us.

(8) In March 2014, we issued 2,430 shares of our common stock at a price per share of \$2.46 to one of our former employees pursuant to the exercise of stock options under our 2007 Plan for an aggregate purchase price of \$5,980.

(9) In January 2015, we issued and sold, in one closing to an accredited investor, 670,062 shares of our Series B-1 convertible preferred stock in exchange for cash at a price per share of \$11.19, for gross proceeds of \$7.5 million. Each share of our Series B-1 convertible preferred stock will convert into one share of our common stock upon completion of this offering.

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(10) In May 2015, we issued 813 shares of our common stock at a price per share of \$2.46 to one of our former employees pursuant to the exercise of stock options under our 2007 Plan for an aggregate purchase price of \$2,000.

(11) In June 2015, we issued 4,148 shares of our common stock at a price per share of \$2.46 to one of our former employees pursuant to the exercise of stock options under our 2007 Plan for an aggregate purchase price of \$10,205.

(12) In June 2015, we issued and sold, in one closing to 12 accredited investors, an aggregate of 2,140,712 shares of our Series C-1 convertible preferred stock in exchange for convertible debt, accrued interest and cash at a price per share of \$11.19, for gross proceeds of \$18.7 million. Each share of our Series C-1 convertible preferred stock will convert into one share of our common stock upon completion of this offering.

(13) In July 2015, we issued 14,242 shares of our common stock at a price per share of \$0.00123 to one of our consultants pursuant to the exercise of stock options under our 2007 Plan for an aggregate purchase price of \$18.

(14) In August 2015, we issued and sold, in one closing to 19 accredited investors, an aggregate of 5,472,390 shares of our Series C-1 convertible preferred stock for cash at a price per share of \$11.19, for gross proceeds of \$61.3 million. Each share of our Series C-1 convertible preferred stock will convert into one share of our common stock upon completion of this offering.

(15) In September 2015, we issued 12,709 shares of our common stock at a price per share of \$5.08 to one of our current directors pursuant to the exercise of stock options under our 2007 Plan for an aggregate purchase price of \$64,562.

(16) In September 2015, we issued 18,000 shares of our common stock at a price per share of \$5.76 to one of our current directors pursuant to the exercise of stock options under our 2007 Plan for an aggregate purchase price of \$103,680.

(17) In December 2015, we issued 1,558 shares of our common stock at a price per share of \$5.05 to one of our former employees pursuant to the exercise of stock options under our 2007 Plan for an aggregate purchase price of \$7,868.

(18) In December 2015, we issued 123 shares of our common stock at a price per share of \$5.08 to one of our former employees pursuant to the exercise of stock options under our 2007 Plan for an aggregate purchase price of \$625.

(19) In December 2015, we issued 419 shares of our common stock at a price per share of \$5.76 to one of our former employees pursuant to the exercise of stock options under our 2007 Plan for an aggregate purchase price of \$2,414.

### **Convertible Note Financings and Warrants**

(20) Between December 2011 and June 2012, in connection with a bridge loan financing, we issued convertible promissory notes to 15 accredited investors for an aggregate principal amount of \$8.7 million. The convertible promissory notes accrued interest at a rate of 8% per annum and had a maturity date of December 31, 2012. In March 2013, these notes converted into 76,489 shares of our Series B convertible preferred stock and 760,390 shares of our Series B-1 convertible preferred stock.



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(21) Between December 2011 and June 2012, in connection with a bridge loan financing, we granted warrants to purchase shares of our common stock to 15 accredited investors at an exercise price of \$30.75 per share for an aggregate purchase price of \$8,711. In March 2013, these warrants were canceled pursuant to the warrant cancellation agreement.

(22) In October 2012, in connection with a bridge loan financing, we issued convertible promissory notes to 12 accredited investors for an aggregate principal amount of \$750,000. The convertible promissory notes accrued interest at a rate of 8% per annum and had a maturity date of October 9, 2013. In March 2013, these notes converted into 6,920 shares of our Series B convertible preferred stock and 62,288 shares of our Series B-1 convertible preferred stock.

(23) Between November 2012 and January 2013, in connection with a bridge loan financing, we issued convertible promissory notes to 12 accredited investors for an aggregate principal amount of \$2.2 million. The convertible promissory notes accrued interest at a rate of 8% per annum and had maturity dates ranging from November 19, 2013 to January 18, 2014. In March 2013, these notes converted into 196,306 shares of our Series B-1 convertible preferred stock.

(24) In February 2013, in connection with a bridge loan financing, we issued convertible promissory notes to 12 accredited investors for an aggregate principal amount of \$45,000. The convertible promissory notes accrued interest at a rate of 8% per annum and had a maturity date of February 20, 2014. In March 2013, these notes converted into 4,034 shares of our Series B-1 convertible preferred stock.

(25) In March 2013, convertible promissory notes we issued in August 2010 converted into 64,743 shares of our Series B convertible preferred stock and 582,686 shares of our Series B-1 convertible preferred stock.

(26) In September and October 2014, in connection with a bridge loan financing, we issued convertible unsecured promissory notes to 11 accredited investors for an aggregate principal amount of \$5,000,000. The convertible unsecured promissory notes accrued interest at 6% per annum and had a maturity date of September 30, 2015. In June 2015, these notes converted into 465,563 shares of our Series C-1 convertible preferred stock.

### **Grants of Stock Options**

(27) Between January 4, 2013 and January 4, 2016, we have granted stock options to purchase an aggregate of 3,821,197 shares of our common stock with exercise prices ranging from \$0.00123 to \$16.85 per share, to our employees, consultants and directors pursuant to our 2007 Plan.

### **Securities Act Exemptions**

We deemed the offers, sales and issuances of the securities described in paragraphs (1) through (26) above to be exempt from registration under the Securities Act, in reliance on Section 4(a)(2) of the Securities Act, including Regulation D and Rules 504 and 506 promulgated thereunder, relative to transactions by an issuer not involving a public offering. We deemed some of the grants of stock options described in paragraph (27) above to be exempt from registration under the Securities Act, in reliance on Section 4(a)(2) of the Securities Act, including Regulation D and Rule 506 promulgated thereunder, relating to transactions by an issuer not involving any public offering. All purchasers of securities in transactions exempt from registration pursuant to Regulation D represented to us that they were

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accredited investors and were acquiring the shares for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof and that they could bear the risks of the investment and could hold the securities for an indefinite period of time. The purchasers received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration statement or an available exemption from such registration.

We deemed the grants of stock options described in paragraph (27) above, except to the extent described above as exempt pursuant to Section 4(a)(2) of the Securities Act, to be exempt from registration under the Securities Act in reliance on Rule 701 of the Securities Act as offers and sales of securities under compensatory benefit plans and contracts relating to compensation in compliance with Rule 701. Each of the recipients of securities in any transaction exempt from registration either received or had adequate access, through employment, business or other relationships, to information about us.

All of the foregoing securities are deemed restricted securities for purposes of the Securities Act. The certificates representing the securities issued in the transactions described in this Item 15 included appropriate legends setting forth that the securities had not been offered or sold pursuant to a registration statement and describing the applicable restrictions on transfer of the securities. There were no underwriters employed in connection with any of the transactions set forth in this Item 15.

### **Item 16. Exhibits and Financial Statement Schedules.**

(a) Exhibits

See the Index to Exhibits attached to this registration statement, which is incorporated by reference herein.

(b) Financial Statement Schedules

No financial statement schedules are provided, because the information called for is not required or is shown either in the financial statements or the notes thereto.

### **Item 17. Undertakings.**

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

- (1) The registrant will provide to the underwriters at the closing as specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

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- (2) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (3) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Waltham, in the Commonwealth of Massachusetts, on this 4<sup>th</sup> day of January, 2016.

**SYNDAX PHARMACEUTICALS, INC.**

By: /s/ Briggs W. Morrison, M.D.  
Briggs W. Morrison, M.D.  
Chief Executive Officer

**POWER OF ATTORNEY**

Each person whose individual signature appears below hereby authorizes and appoints Briggs W. Morrison, M.D. and John S. Pallies and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this registration statement, including any and all post-effective amendments and amendments thereto, and any subsequent registration statement relating to the same offering as this registration statement that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Briggs W. Morrison, M.D.</u> Briggs W. Morrison, M.D.	Chief Executive Officer and Director (Principal Executive Officer)	January 4, 2016
<u>/s/ John S. Pallies</u> John S. Pallies	Chief Financial Officer, Secretary and Treasurer (Principal Financial and Accounting Officer)	January 4, 2016
<u>/s/ Dennis G. Podlesak</u> Dennis G. Podlesak	Chairman of the Board	January 4, 2016
<u>/s/ Henry Chen</u> Henry Chen	Director	January 4, 2016
<u>/s/ Fabrice Egros, Ph.D.</u> Fabrice Egros, Ph.D.	Director	January 4, 2016
<u>/s/ Luke Evnin, Ph.D.</u> Luke Evnin, Ph.D.	Director	January 4, 2016

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<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Kim P. Kamdar, Ph.D.</u> Kim P. Kamdar, Ph.D.	Director	January 4, 2016
<u>/s/ Ivor Royston, M.D.</u> Ivor Royston, M.D.	Director	January 4, 2016
<u>/s/ Richard P. Shea</u> Richard P. Shea	Director	January 4, 2016
<u>/s/ George W. Sledge Jr., M.D.</u> George W. Sledge Jr., M.D.	Director	January 4, 2016

**INDEX TO EXHIBITS**

<u>Exhibit Number</u>	<u>Exhibit Description</u>
1.1	Form of Underwriting Agreement.
3.1	Thirteenth Amended and Restated Certificate of Incorporation, as currently in effect.
3.2	Bylaws, as currently in effect.
3.3	Amended and Restated Certificate of Incorporation to be in effect immediately prior to the completion of this offering.
3.4	Amended and Restated Bylaws to be in effect immediately prior to the completion of this offering.
4.1	Specimen Common Stock Certificate.
4.2	Form of Warrant to purchase Common Stock issued pursuant to the Warrant Agreement by and between the company and Bayer Schering Pharma AG, dated as of March 26, 2007.
5.1*	Opinion of Hogan Lovells US LLP.
10.1	Third Amended and Restated Investors' Rights Agreement by and among the company and the parties thereto, dated as of August 21, 2015.
10.2	Warrant Agreement by and between the company and Bayer Schering Pharma AG, dated as of March 26, 2007.
10.3+	2007 Stock Plan.
10.4+	2007 Stock Plan Amendment, dated as of March 8, 2013.
10.5+	2007 Stock Plan Amendment, dated as of July 10, 2013.
10.6+	2007 Stock Plan Amendment, dated as of January 23, 2014.
10.7+	2007 Stock Plan Amendment, dated as of December 17, 2014.
10.8+	2007 Stock Plan Amendment, dated as of May 28, 2015.
10.9+	2007 Stock Plan Amendment, dated as of August 20, 2015.
10.10+	Form of Incentive Stock Option Agreement under 2007 Stock Plan.
10.11+	Form of Non-Statutory Stock Option Agreement under 2007 Stock Plan.
10.12+	2015 Omnibus Incentive Plan.
10.13+	Form of Incentive Stock Option Agreement under 2015 Omnibus Incentive Plan.
10.14+	Form of Non-Qualified Option Agreement under 2015 Omnibus Incentive Plan.
10.15+	2015 Employee Stock Purchase Plan.
10.16+	Executive Employment Agreement by and between the company and Briggs W. Morrison, M.D., dated as of September 30, 2015.
10.17+	Executive Employment Agreement by and between the company and Michael A. Metzger, dated as of September 30, 2015.
10.18+	Executive Employment Agreement by and between the Company and Michael L. Meyers, M.D., Ph.D., dated as of October 1, 2015.
10.19+	Offer Letter by and between the company and Arlene Morris, dated as of March 18, 2012.

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<u>Exhibit Number</u>	<u>Exhibit Description</u>
10.20+	General Release and Post-Separation Consulting Agreement by and between the company and Arlene Morris, dated May 13, 2015.
10.21+	Form of Indemnification Agreement by and between the company and each of its directors and officers.
10.22†	License, Development and Commercialization Agreement by and between the company and Bayer Schering Pharma AG, dated as of March 26, 2007.
10.23†	First Amendment to the License, Development and Commercialization Agreement by and between the company and Bayer Pharma AG, dated as of October 13, 2012.
10.24	Second Amendment to the License, Development and Commercialization Agreement by and between the company and Bayer Pharma AG, dated as of February 1, 2013.
10.25†	Third Amendment to the License, Development and Commercialization Agreement by and between the company and Bayer Pharma AG, dated as of October 9, 2013.
10.26†	Letter Agreement by and between the company and Bayer Pharma AG, dated as of September 18, 2014.
10.27†	Clinical Trial Agreement by and between the company and Eastern Cooperative Oncology Group, dated as of March 14, 2014.
10.28†	Amendment No. 1 to Clinical Trial Agreement by and between the company and ECOG-ACRIN Cancer Research Group, dated as of January 30, 2015.
10.29	Loan and Security Agreement by and among the company, Solar Capital Ltd. and the Lenders listed therein, dated as of June 13, 2014.
10.30	First Amendment to Loan and Security Agreement by and among the company, Solar Capital Ltd. and the Lenders listed therein, dated as of September 25, 2014.
10.31	Second Amendment to Loan and Security Agreement by and among the company, Solar Capital Ltd. and the Lenders listed therein, dated as of December 31, 2014.
10.32†	Clinical Trial Collaboration and Supply Agreement by and between the company and MSD International GmbH, dated as of March 27, 2015.
10.33†	License, Development and Commercialization Agreement by and between the company and Kyowa Hakko Kirin Co., Ltd., dated December 19, 2014.
10.34†	Side Letter by and between the company and Kyowa Hakko Kirin Co., Ltd., dated December 19, 2014.
10.35†	Combination Study Collaboration Agreement by and between the company and Genentech, Inc. dated August 24, 2015.
10.36†*	Clinical Trial Collaboration and Supply Agreement by and between the company, Pfizer Inc. and Ares Trading S.A., dated as of December 31, 2015.
21.1	Subsidiaries of the company.
23.1	Consent of Independent Registered Public Accounting Firm.
23.2*	Consent of Hogan Lovells US LLP (included in Exhibit 5.1).
24.1	Power of Attorney (included on the signature page to this registration statement).

\* To be filed by amendment.

+ Indicates a management contract or compensatory plan.

† Registrant has requested confidential treatment for certain portions of this exhibit. This exhibit omits the information subject to this confidentiality request. Omitted portions have been filed separately with the Securities and Exchange Commission.

Shares

Syndax Pharmaceuticals, Inc.

Common Stock

(\$0.0001 Par Value)

EQUITY UNDERWRITING AGREEMENT

, 2015

Morgan Stanley & Co. LLC  
 Citigroup Global Markets Inc.  
 As Representatives of the  
 Several Underwriters

c/o Morgan Stanley & Co. LLC  
 1585 Broadway  
 New York, New York 10036

c/o Citigroup Global Markets Inc.  
 388 Greenwich Street  
 New York, New York 10013

Ladies and Gentlemen:

Syndax Pharmaceuticals, Inc., a Delaware corporation (the "**Company**"), proposes to sell to the several underwriters (the "**Underwriters**") named on Schedule I hereto for whom you are acting as representatives (the "**Representatives**") an aggregate of \_\_\_\_\_ shares (the "**Firm Shares**") of the Company's common stock, \$0.0001 par value per share (the "**Common Stock**"). The respective amounts of the Firm Shares to be so purchased by the several Underwriters are set forth opposite their names on Schedule I hereto. The Company also proposes to sell to the Underwriters at the Underwriters' option up to an aggregate of \_\_\_\_\_ additional shares of Common Stock (the "**Option Shares**") as set forth below.

As the Representatives, you have advised the Company that the several Underwriters are willing, acting severally and not jointly, to purchase the number of Firm Shares set forth opposite their respective names on Schedule I hereto, plus their pro rata portion of the Option Shares if you elect to exercise the option in whole or in part for the accounts of the several Underwriters. The Firm Shares and the Option Shares (to the extent the aforementioned option is exercised) are herein collectively called the "**Shares**."

In consideration of the mutual agreements contained herein and of the interests of the parties in the transactions contemplated hereby, the parties hereto agree as follows:



## 1. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each of the Underwriters as follows:

(a)(i) A registration statement on Form S-1 (File No. 333-•) with respect to the Shares has been prepared by the Company in conformity with the requirements of the Securities Act of 1933, as amended (the “**Act**”), and the rules and regulations (the “**Rules and Regulations**”) of the Securities and Exchange Commission (the “**Commission**”) thereunder, and has been filed with the Commission. Copies of such registration statement, including any amendments thereto, the preliminary prospectuses (meeting the requirements of the Rules and Regulations) contained therein and the exhibits, financial statements and schedules, as finally amended and revised, have heretofore been delivered by the Company to you. Such registration statement, together with any registration statement filed by the Company pursuant to Rule 462(b) under the Act, is herein referred to as the “**Registration Statement**,” which shall be deemed to include all information omitted therefrom in reliance upon Rules 430A, 430B or 430C under the Act and contained in the Prospectus referred to below, has become effective under the Act and no post-effective amendment to the Registration Statement has been filed as of the date of this equity underwriting agreement (this “**Agreement**”). “**Prospectus**” means the form of prospectus first filed with the Commission pursuant to and within the time limits described in Rule 424(b) under the Act. Each preliminary prospectus included in the Registration Statement prior to the time it becomes effective is herein referred to as a “**Preliminary Prospectus**.” Any reference herein to the Registration Statement, any Preliminary Prospectus or to the Prospectus or to any amendment or supplement to any of the foregoing documents shall be deemed to refer to and include any documents incorporated by reference therein, and, in the case of any reference herein to the Prospectus, also shall be deemed to include any documents incorporated by reference therein, and any supplements or amendments thereto, filed with the Commission after the date of filing of the Prospectus under Rule 424(b) under the Act, and prior to the termination of the offering of the Shares by the Underwriters.

(b) As of the Applicable Time (as defined below) and as of the Closing Date or the Option Closing Date, as the case may be, none of (i) the General Use Free Writing Prospectus(es) (as defined below) issued at or prior to the Applicable Time, the Statutory Prospectus (as defined below) and the information included on Schedule III hereto, all considered together (collectively, the “**General Disclosure Package**”), (ii) any individual Limited Use Free Writing Prospectus (as defined below), when considered together with the General Disclosure Package, or (iii) any written Testing-the-Waters Communication (as defined below), when considered together with the General Disclosure Package, included or will include any untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that the Company makes no representations or warranties as to information contained in or omitted from any Issuer Free Writing Prospectus, in reliance upon, and in conformity with, written information furnished to the Company by or on behalf of any Underwriter through the Representatives, specifically for use therein, it being understood and agreed that the only such information is that described in Section 12 hereof.

As used in this subsection and elsewhere in this Agreement:

“**Applicable Time**” means                    p.m. (New York time) on the date of this Agreement or such other time as agreed to by the Company and the Representatives.

“**General Use Free Writing Prospectus**” means any Issuer Free Writing Prospectus (other than a “*bona fide* electronic road show,” as defined in Rule 433 (the “**Bona Fide Electronic Road Show**”) that is identified on Schedule IV hereto.

“**Issuer Free Writing Prospectus**” means any “issuer free writing prospectus”, as defined in Rule 433 under the Act, including without limitation any “free writing prospectus” (as defined in Rule 405 of the Rules and Regulations of the Act (“Rule 405”)) relating to the Shares that is (i) required to be filed with the Commission by the Company, (ii) a “road show that is a written communication” within the meaning of Rule 433(d)(8)(i), whether or not required to be filed with the Commission or (iii) excepted from filing with the Commission pursuant to Rule 433(d)(5)(i) because it contains a description of the Shares or of the offering that does not reflect the final terms, in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company’s records pursuant to Rule 433(g).

“**Limited Use Free Writing Prospectus**” means any Issuer Free Writing Prospectus that is not a General Use Free Writing Prospectus.

“**Statutory Prospectus**” means the Preliminary Prospectus dated \_\_\_\_\_, 2015.

(c) The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware, with requisite power and authority to own or lease its properties and conduct its business as described in the Registration Statement, the General Disclosure Package and the Prospectus. The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Exhibit 21.1 to Item 16(a) of the Registration Statement. Each subsidiary has been duly organized and is validly existing as a corporation, limited liability company or similar entity in good standing under the laws of the jurisdiction of its organization with requisite power and authority to own or lease its properties and conduct its business as described in the Registration Statement, the General Disclosure Package and the Prospectus. The Company does not have any significant subsidiaries (as defined in Rule 405 under the Act). The Company and its subsidiaries are duly qualified to transact business in all jurisdictions in which the conduct of their business requires such qualification except where the failure to be so qualified would not (i) have, individually or in the aggregate, a material adverse effect on the earnings, business, properties, assets, liabilities, operations, condition (financial or otherwise) or prospects of the Company and its subsidiaries taken as a whole or (ii) prevent the consummation of the transactions contemplated hereby (the occurrence of any such effect or any such prevention described in the foregoing clauses (i) and (ii) being referred to as a “**Material Adverse Effect**”). The outstanding shares of capital stock of each of the Company’s subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable and are owned by the Company free and clear of all liens, encumbrances and equities and claims as would not, in the aggregate, reasonably be expected to have a Material Adverse Effect; and no options, warrants or other rights to purchase, agreements or other obligations to issue or other rights to convert any obligations into shares of capital stock or ownership interests in such subsidiaries are outstanding.

(d) From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any Person authorized to act on its behalf in any Testing-the-Waters Communication) through the date hereof, the Company has been and is an “emerging growth company,” as defined in Section 2(a) of the Act (an “**Emerging Growth Company**”). “**Testing-the-Waters Communication**” means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Act.

(e) The outstanding shares of Common Stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable; the Shares to be issued and sold by the Company have been duly authorized and when issued and paid for as contemplated herein will be validly issued, fully paid and non-assessable; and no preemptive or similar rights of stockholders exist with respect to any of the Shares or the issue and sale thereof. Neither the filing of the Registration Statement nor the offering or sale of the Shares as contemplated by this Agreement gives rise to any rights, other than those which have been waived or satisfied, for or relating to the registration of any shares of Common Stock.

(f) The information set forth under the caption “Capitalization” in the Registration Statement and the Prospectus (and any similar section or information contained in the General Disclosure Package) is true and correct. All of the Shares conform to the description thereof contained in the Registration Statement, the General Disclosure Package and the Prospectus. The form of certificate for the Shares conforms to the corporate law of the jurisdiction of the Company’s incorporation and to any requirements of the Company’s organizational documents. Subsequent to the respective dates as of which information is given in the Registration Statement, the General Disclosure Package and the Prospectus, except as otherwise specifically stated therein or in this Agreement, the Company has not: (i) issued any securities other than for subsequent issuances, if any, or upon the exercise of outstanding options or warrants, in each case as described in the Registration Statement, the General Disclosure Package and the Prospectus; (ii) incurred any liability or obligation, direct or contingent, for borrowed money; or (iii) declared or paid any dividend or made any other distribution on or in respect to its capital stock.

(g) The Commission has not issued an order preventing or suspending the use of any Preliminary Prospectus, any Issuer Free Writing Prospectus or the Prospectus relating to the proposed offering of the Shares, and no proceeding for that purpose or pursuant to Section 8A of the Act has been instituted or, to the Company’s knowledge, threatened by the Commission. The Registration Statement contains, and the Prospectus and any amendments or supplements thereto will contain, all statements which are required to be stated therein by, and will conform to, the requirements of the Act and the Rules and Regulations, in each case in all material respects. The Registration Statement and any amendments thereto do not contain, and will not contain, any untrue statement of a material fact and do not omit, and will not omit, to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Prospectus and any amendments and supplements thereto do not contain, and will not contain, any untrue statement of a material fact; and do not omit, and will not omit, to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that the Company makes no representations or warranties as to information contained in or omitted from the Registration Statement or the Prospectus, or any such amendment or supplement, in reliance upon, and in conformity with, written information furnished to the Company by or on behalf of any Underwriter through the Representatives, specifically for use therein, it being understood and agreed that the only such information is that described in Section 12 hereof.

(h) No Issuer Free Writing Prospectus conflicts or will conflict with the information contained in the Registration Statement or the Prospectus, and any preliminary or other prospectus deemed to be a part thereof that has not been superseded or modified. The Company has made available a Bona Fide Electronic Road Show in compliance with Rule 433(d)(8)(ii) such that no filing of any “road show” (as defined in Rule 433(h)) is required in connection with the offering of the Shares.

(i) The Company (a) has not alone engaged in any Testing-the-Waters Communication other than the Testing-the-Waters Communications with the consent of the Representatives with entities that are qualified institutional buyers within the meaning of Rule 144A under the Act or institutions that are accredited investors within the meaning of Rule 501 under the Act and (b) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not distributed any Written Testing-the-Waters Communications other than those listed on Schedule V hereto. “**Written Testing-the-Waters Communication**” means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Act.

(j) Any individual Written Testing-the-Waters Communication does not conflict with the information contained in the Registration Statement or the Pricing Disclosure Package, complied in all material respects with the Act and, when considered together with the Pricing Disclosure Package as of the Applicable Time, did not and as of the Closing Date and the Additional Closing Date, as the case may be, will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) The Company has not, directly or indirectly, distributed and will not distribute any offering material in connection with the offering and sale of the Shares other than any Preliminary Prospectus, the Prospectus and other materials, if any, permitted under the Act and consistent with Section 4(b) hereof. The Company will file with the Commission all Issuer Free Writing Prospectuses in the time required under Rule 433(d) under the Act. The Company has satisfied or will satisfy the conditions in Rule 433 under the Act to avoid a requirement to file with the Commission any electronic road show.

(l) At the time of filing the Registration Statement and (ii) as of the date hereof (with such date being used as the determination date for purposes of this clause (ii)), the Company was not and is not an “ineligible issuer” (as defined in Rule 405 under the Act, without taking into account any determination by the Commission pursuant to Rule 405 under the Act that it is not necessary that the Company be considered an ineligible issuer), including, without limitation, for purposes of Rules 164 and 433 under the Act with respect to the offering of the Shares as contemplated by the Registration Statement.

(m) The consolidated financial statements of the Company and its subsidiaries, together with related notes and schedules as set forth in the Registration Statement, the General Disclosure Package and the Prospectus, comply in all material respects with the applicable requirements of the Act and present fairly, in all material respects, the financial position of the Company and its subsidiaries at the indicated dates and the results of operations, changes in stockholders’ equity and cash flows of the Company and its subsidiaries for the indicated periods. Such financial statements and related schedules have been prepared in accordance with United States generally accepted principles of accounting (“GAAP”), consistently applied throughout the periods involved, except as disclosed in the related notes thereto and except in the case of unaudited financial statements, which are subject to normal and recurring year-end adjustments and do not contain certain footnotes as permitted by the applicable rules of the Commission, and all adjustments necessary for a fair presentation of results for such periods have been made. The summary and selected consolidated financial and statistical data included in the Registration Statement, the General Disclosure Package and the Prospectus present fairly the information shown therein and such data has been compiled on a basis consistent with the financial statements presented therein and the books and records of the Company. The pro forma financial statements and other pro forma financial information included in the Registration Statement, the General Disclosure Package and the Prospectus present fairly the information shown therein, have been prepared in accordance with the Commission’s rules and guidelines with respect to pro forma financial statements, have been properly compiled on the pro forma bases described therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions or circumstances referred to therein. All disclosures contained in the Registration Statement, the General Disclosure Package and the Prospectus regarding “non-GAAP financial measures” (as such term is defined by the Rules and Regulations) comply, in all material respects, with Regulation G of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Item 10 of Regulation S-K under the Act, to the extent applicable. The Company and its subsidiaries do not have any material liabilities or obligations, direct or contingent (including any off-balance sheet obligations or any “variable interest entities” within the meaning of Financial Accounting Standards Board Interpretation No. 46), not disclosed in the Registration Statement, the General Disclosure Package and the Prospectus. There are no financial statements (historical or pro forma) that are required to be included in the Registration Statement, the General Disclosure Package or the Prospectus that are not included as required.

(n) Deloitte & Touche LLP, who have certified certain of the financial statements filed with the Commission as part of the Registration Statement, the General Disclosure Package and the Prospectus, is an independent registered public accounting firm with respect to the Company and its subsidiaries within the meaning of the Act and the applicable Rules and Regulations and the Public Company Accounting Oversight Board (United States) (the “PCAOB”) as required by the Act.

(o) Solely to the extent that the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations promulgated by the Commission and the NASDAQ Global Market thereunder (collectively, the “Sarbanes-Oxley Act”) are and have been applicable to the Company, there is and has been no failure on the part of the Company to comply in all material respects with any provision of the Sarbanes-Oxley Act. The Company has taken all necessary actions to ensure that it is in compliance with all provisions of the Sarbanes-Oxley Act that are in effect and with which the Company is required to comply (including Section 402 related to loans) and is actively taking steps to ensure that it will be in compliance with other provisions of the Sarbanes-Oxley Act not currently in effect or which will become applicable to the Company. As of the date of the initial filing of the Registration Statement, there were no outstanding personal loans made, directly or indirectly, by the Company to any director or executive officer of the Company.

(p) There is no legal, governmental, administrative or regulatory investigation, action, suit, claim or proceeding pending or, to the knowledge of the Company, threatened against the Company or its subsidiaries, or to which any property of the Company or any of its subsidiaries is, or to the knowledge of the Company, would reasonably be expected to be, subject, before any court or regulatory or administrative agency or otherwise which if determined adversely to the Company or any such subsidiary would, individually or in the aggregate, have a Material Adverse Effect. There are no current or pending legal, governmental, administrative or regulatory investigations, actions, suits, claims or proceedings that are required under the Act to be described in the Registration Statement, the General Disclosure Package or the Prospectus that are not so described in the Registration Statement, the General Disclosure Package or the Prospectus. There are no contracts or other documents that are required under the Act to be filed as exhibits to the Registration Statement or described in the Registration Statement, the General Disclosure Package or the Prospectus that are not so filed as exhibits to the Registration Statement or described in the Registration Statement, the General Disclosure Package or the Prospectus.

(q) The Company and its subsidiaries have good and marketable title to all of the properties and assets reflected in the consolidated financial statements hereinabove described or described in the Registration Statement, the General Disclosure Package and the Prospectus, subject to no lien, mortgage, pledge, charge or encumbrance of any kind except those reflected in such financial statements or described in the Registration Statement, the General Disclosure Package and the Prospectus or which (i) do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries or (ii) would, individually or in the aggregate, have a Material Adverse Effect. The Company and its subsidiaries occupy their leased properties under valid and binding leases conforming in all material respects to the description thereof set forth in the Registration Statement, the General Disclosure Package and the Prospectus.

(r) The Company and its subsidiaries have filed all U.S. federal, state, local and foreign tax returns which have been required to be filed and have paid all taxes indicated by such returns and all assessments received by them or any of them to the extent that such taxes have become due. All tax liabilities have been adequately provided for in the financial statements of the Company, and the Company does not know of any actual or proposed additional material tax assessments.

(s) Since the date of the most recent financial statements included in the Registration Statement, the General Disclosure Package and the Prospectus, (i) there has not been any material adverse change or any development involving a prospective material adverse change in or affecting the earnings, business, management, properties, assets, rights, operations, condition (financial or otherwise), or prospects of the Company and its subsidiaries taken as a whole, whether or not occurring in the ordinary course of business, (ii) there has not been any material transaction entered into or any material transaction that is probable of being entered into by the Company or its subsidiaries, other than transactions in the ordinary course of business, as each may be amended or supplemented, and (iii) neither the Company nor its subsidiaries have sustained any loss or interference with its business that is material to the Company and its subsidiaries taken as a whole and that is either from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in each case as has been disclosed in the Registration Statement, the General Disclosure Package and the Prospectus.

(t) Neither the Company nor any of its subsidiaries is or with the giving of notice or lapse of time or both, will be, (i) in violation of its certificate or articles of incorporation, charter, by-laws, certificate of formation, limited liability company agreement, partnership agreement or other organizational documents, as applicable, (ii) in violation of or in default under any agreement, lease, contract, indenture or other instrument or obligation to which it is a party or by which it, or any of its properties, is bound or (iii) in violation of any law, order, rule or regulation judgment, order, writ or decree applicable to the Company or any of its subsidiaries of any court or of any government, regulatory body or administrative agency or other governmental body having jurisdiction over the Company or such subsidiary, or any of their properties or assets, except in the case of clauses (ii) and (iii), for such violations or defaults as would not, individually or in the aggregate, have a Material Adverse Effect. The execution and delivery of this Agreement and the consummation of the transactions herein contemplated and the fulfillment of the terms hereof do not and will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, (A) any indenture, mortgage, deed of trust or other agreement or instrument to which the Company or its any of its subsidiaries is a party or by which the Company or any of its subsidiaries or any of their respective properties is bound, or of (B) the certificate of incorporation or formation, articles of incorporation or association, charter, by-laws or other organizational documents, as applicable, of the Company or (C) any law, order, rule or regulation judgment, order, writ or decree applicable to the Company or any of its subsidiaries of any court or of any government, regulatory body or administrative agency or other governmental body having jurisdiction over the Company or any such subsidiary, or any of their properties or assets, except, with respect to (A) and (C), for such violations as would not, individually or in the aggregate, result in a Material Adverse Effect.

(u) The execution and delivery of, and the performance by the Company of its obligations under, this Agreement has been duly and validly authorized by all necessary corporate, limited liability company or similar applicable action on the part of the Company, and this Agreement has been duly executed and delivered by the Company.

(v) Each approval, consent, order, authorization, designation, declaration or filing by or with any regulatory, administrative or other governmental body necessary in connection with the execution and delivery by the Company of this Agreement and the consummation of the transactions herein contemplated has been obtained or made and is in full force and effect (except such additional steps as may be required by the Commission, the Financial Industry Regulatory Authority, Inc. (“**FINRA**”) or such additional steps as may be necessary to qualify the Shares for public offering by the Underwriters under state securities or Blue

Sky laws). All of the information provided to the Underwriters or counsel to the Underwriters by the Company, its counsel, its officers and directors and the holders of any securities or options to acquire any securities of the Company in connection with the offering of the Shares is true, complete and correct in all material respects, and is compliant with FINRA's rules. Any letters, filings or other supplemental information provided to FINRA pursuant to FINRA Rules or NASD Conduct Rules is true, complete and correct in all material respects.

(w) Except as would not, individually or in the aggregate, have a Material Adverse Effect, the Company and its subsidiaries (i) hold all licenses, registrations, certificates and permits from governmental authorities (collectively, "**Governmental Licenses**"), which are necessary to the conduct of their business, (ii) are in compliance with the terms and conditions of all Governmental Licenses, and all Governmental Licenses are valid and in full force and effect, and (iii) have not received any written or other notice of proceedings relating to the revocation or modification of any Governmental License.

(x) Except as otherwise disclosed in the Registration Statement, the General Disclosure Package, and the Prospectus, the Company and its subsidiaries own or have obtained licenses for all patents, patent applications, inventions, trademarks, trade names, service marks, logos, trade dress, designs, data, database rights, Internet domain names, rights of privacy, rights of publicity, copyrights, works of authorship, license rights, trade secrets, know-how and proprietary information (including unpatented and unpatentable proprietary or confidential information, inventions, systems or procedures) and other industrial property and intellectual property rights described in the Registration Statement, the General Disclosure Package, and the Prospectus as being owned or licensed by them, as well as related rights, such as moral rights and the right to sue for all past, present and future infringements or misappropriations of any of the foregoing, and registrations and applications for registration of any of the foregoing (collectively, "**Intellectual Property**") necessary in all material respects for the conduct of their business as presently conducted and as presently proposed to be conducted in the future as disclosed in the Registration Statement, the General Disclosure Package, and the Prospectus, and such Intellectual Property has not been adjudged by a court of competent jurisdiction to be invalid or unenforceable, in whole or in part. Neither the Company nor any of its subsidiaries has materially infringed, misappropriated, otherwise violated, or is currently materially infringing, misappropriating, or otherwise violating, and none of the Company or any of its subsidiaries has received any communication or notice of infringement of, misappropriation of, conflict with or violation of, any Intellectual Property of any other person or entity. To the Company's knowledge: (i) there are no third parties who have rights to any Intellectual Property, except for (x) customary reversionary rights of third-party licensors with respect to Intellectual Property that are disclosed in the Registration Statement, the General Disclosure Package, and the Prospectus as licensed to the Company or its subsidiaries and (y) third parties who have been explicitly granted licenses by the Company; and (ii) there is no infringement by third parties of any Intellectual Property. There is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others: (A) challenging the Company's rights in or to any Intellectual Property, and the Company is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding or claim; (B) challenging the validity, enforceability or scope of any Intellectual Property, and the Company is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding or claim; or (C) asserting that the Company infringes, misappropriates, or otherwise violates, or would, upon the commercialization of any product or service described in the Registration Statement, the General Disclosure Package or the Prospectus as under development, infringe, misappropriate, or violate, any patent, trademark, trade name, service name, copyright, trade secret or other proprietary rights of others, and the Company is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding or claim. The Company and its subsidiaries have complied in all material respects with the terms of each agreement pursuant to which Intellectual Property has been licensed to the Company, and all such agreements are in full force and effect. The Company and its subsidiaries have taken all reasonable steps necessary to secure their interests in the Intellectual Property

from their employees and contractors and to protect the confidentiality of all of their confidential information and trade secrets. The product candidates described in the Registration Statement, the General Disclosure Package and the Prospectus as under development by the Company fall within the scope of the claims of one or more patents or patent applications owned by, or exclusively licensed to, the Company. To the Company's knowledge, there is no patent or published patent application in the U.S. or other jurisdiction which contains claims that dominate or may dominate the Intellectual Property described in the Registration Statement, the General Disclosure Package and the Prospectus or that interferes with the issued or pending claims of any such Intellectual Property (for the avoidance of doubt, the Company makes no such representation as to the intellectual property covering PD1/PD-L1 inhibitors described therein as owned or controlled by third parties). There is no prior art of which the Company is aware that would render any patent held by the Company invalid, except as would not, individually or in the aggregate, have a Material Adverse Effect, and all prior art of which the Company is aware that may be material to the validity of a U.S. patent or to the patentability of a U.S. patent application has been disclosed to the U.S. Patent and Trademark Office, and all such prior art has been disclosed to the patent office of other jurisdictions where required. There are no material defects in any of the patents or patent applications included in the Intellectual Property. The duties of candor and good faith required by the United States Patent and Trademark Office during the prosecution of the United States patents and patent applications included in the Intellectual Property have been complied with, and all such requirements in foreign offices having similar requirements applicable to the Company or its subsidiaries have been complied with. To the Company's knowledge, no employee of the Company is in or has been in violation of any term of any employment contract, patent disclosure agreement, invention assignment agreement, non-competition agreement, non-solicitation agreement, nondisclosure agreement or any restrictive covenant to or with a former employer where the basis of such violation relates to such employee's employment with the Company.

(y) None of the Intellectual Property or technology (including information technology and outsourced arrangements) employed by the Company or its subsidiaries has been obtained or is being used by the Company or its subsidiaries in violation of any contractual obligation binding on the Company or its subsidiaries or any of their respective officers, directors or employees or otherwise in violation of the rights of any persons.

(z) None of the Company or its subsidiaries nor, to the Company's knowledge, any of their affiliates, has taken or may take, directly or indirectly, any action designed to cause or result in, or which has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of the shares of Common Stock to facilitate the sale or resale of the Shares.

(aa) Neither the Company nor its any of subsidiaries is or, after giving effect to the offering and sale of the Shares contemplated hereunder and the application of the net proceeds from such sale as described in the Registration Statement, the General Disclosure Package and the Prospectus, will be required to register as an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder (collectively, the "**1940 Act**").

(bb) The Company maintains a system of "internal control over financial reporting" (as defined in Rule 13a-15(f) of the Exchange Act) that comply with the requirements of the Exchange Act and have been designed by, or under the supervision of, their respective principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, including, but not limited to, internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or



specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Other than as described in the Registration Statement, General Disclosure Package and the Prospectus, there are no material weaknesses in the Company's internal control over financial reporting, and there has been no change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package and the Prospectus. The Company's auditors and the Audit Committee of the Board of Directors of the Company have been advised of: (i) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which have adversely affected or are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

(cc) The Company has established and maintains "disclosure controls and procedures" (as defined in Rules 13a-14(c) and 15d-14(c) under the Exchange Act); the Company's "disclosure controls and procedures" are reasonably designed to ensure that all information (both financial and non-financial) required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and regulations under the Exchange Act, and that all such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure and to make the certifications of the Chief Executive Officer and Chief Financial Officer of the Company required under the Exchange Act with respect to such reports.

(dd) The statistical, industry-related and market-related data included in the Registration Statement, the General Disclosure Package and the Prospectus are based on or derived from sources which the Company reasonably and in good faith believes are reliable and accurate, and such data agree with the sources from which they are derived. To the extent required, the Company has obtained the written consent to the use of such data from such sources.

(ee) The operations of the Company and its subsidiaries are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Currency and Foreign Transactions Reporting Act of 1970, as amended, and the applicable anti-money laundering statutes of jurisdictions where the Company and its subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Anti-Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(ff) Neither the Company nor its subsidiaries or any of their directors or officers nor, to the Company's knowledge, any employee, agent, affiliate or representative of the Company or its subsidiaries, is an individual or entity ("**Person**") that is, or is owned or controlled by a Person that is: (A) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**"), the United Nations Security Council ("**UNSC**"), the European Union

("EU"), Her Majesty's Treasury ("HMT") or other relevant sanctions authority (collectively, "Sanctions"), nor (B) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Cuba, Iran, North Korea, Sudan and Syria). The Company will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person: to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise). For the past five years, the Company and its subsidiaries have not knowingly engaged in, are not now knowingly engaged in, and will not engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

(gg) Neither the Company nor its subsidiaries or any of their directors or officers nor, to the Company's knowledge, any employee, agent, affiliate or representative of the Company or its subsidiaries, has taken or will take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any "government official" (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) to influence official action or secure an improper advantage; and the Company and its subsidiaries and affiliates have conducted their businesses in compliance with the OECD Convention on Bribery of Foreign Public Officials in International Business Transactions ("OECD Convention"), the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (collectively, the "FCPA"), the U.K. Bribery Act 2010 or any similar law or regulation to which the Company, its subsidiaries, any director, officer, agent, employee, affiliate or other person associated with or acting on behalf of the Company or its subsidiaries is subject, and they have instituted and maintain and will continue to maintain policies and procedures designed to promote and achieve compliance with such laws and with the representation and warranty contained herein.

(hh) The Company carries, or is covered by, insurance, from insurers of recognized financial responsibility, in such amounts and covering such risks as is adequate for the conduct of its businesses and the value of its properties and as is prudent and customary for a company engaged in a similar business; the Company has not been refused any coverage under insurance policies sought or applied for; and the Company has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not, individually or in the aggregate, have a Material Adverse Effect.

(ii) Each "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("ERISA")) for which the Company or any member of its "Controlled Group" (defined as any organization that is a member of a controlled group of corporations within the meaning of Section 414 of the Internal Revenue Code of 1986, as amended (the "Code")), including its subsidiaries, would have liability (each a "Plan") is in compliance in all material respects with all presently applicable statutes, rules and regulations, including ERISA and the Code; (ii) with respect to each Plan subject to Title IV of ERISA (a) no "reportable event" (as defined in Section 4043 of ERISA) has occurred for which the Company or any member of its Controlled Group would have any liability; and (b) neither the Company nor any member of its Controlled Group has incurred or expects to incur liability under Title IV of ERISA (other than for contributions to the Plan or premiums payable to the Pension Benefit Guaranty Corporation, in each case in the ordinary course and without default); (iii) no Plan which is subject to Section 412 of the Code or Section

302 of ERISA has failed to satisfy the minimum funding standard within the meaning of such sections of the Code or ERISA; and (iv) each Plan that is intended to be qualified under Section 401(a) of the Code is so qualified and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification.

(jj) There are no affiliations or associations between any member of FINRA and any of the Company's or its subsidiaries' officers, directors or 5% or greater securityholders.

(kk) Except in each case as otherwise disclosed in the Registration Statement, the General Disclosure Package and the Prospectus: (i) the Company and its subsidiaries have complied and are in compliance, in all material respects, with all applicable federal, state, local, foreign and international laws (including the common law), statutes, rules, regulations, orders, judgments, decrees or other legally binding requirements of any court, administrative agency or other governmental authority relating to pollution or to the protection of the environment, natural resources or human health or safety, or to the manufacture, use, generation, treatment, storage, disposal, release or threatened release of hazardous or toxic substances, pollutants, contaminants or wastes, or the arrangement for such activities ("**Environmental Laws**"); (ii) the Company and its subsidiaries have obtained and are in compliance, in all material respects, with all permits, licenses, authorizations or other approvals required of them under Environmental Laws to conduct their respective businesses and are not subject to any action to revoke, terminate, cancel, limit, amend or appeal any such permits, licenses, authorizations or approvals; (iii) neither the Company nor its subsidiaries is a party to any judicial or administrative proceeding (including a notice of violation) under any Environmental Laws (a) to which a governmental authority is also a party and which involves potential monetary sanctions, unless it could reasonably be expected that such proceeding will result in monetary sanctions of less than \$100,000, or (b) which is otherwise material; and no such proceeding has been threatened or is known to be contemplated; (iv) neither the Company nor its subsidiaries has received notice or is otherwise aware of any pending or threatened material claim or potential liability under Environmental Laws in respect of its past or present business, operations (including the disposal of hazardous substances at any off-site location), facilities or real property (whether owned, leased or operated) or on account of any predecessor or any person whose liability under any Environmental Laws it has agreed to assume; and neither the Company nor its subsidiaries is aware of any facts or conditions that could reasonably be expected to give rise to any such claim or liability; and (v) neither the Company nor its subsidiaries is aware of any matters regarding compliance with existing or reasonably anticipated Environmental Laws, or with any liabilities or other obligations under Environmental Laws (including asset retirement obligations), that could reasonably be expected to have a material effect on the capital expenditures, earnings or competitive position of the Company and its subsidiaries.

(ll) The Shares have been approved for listing subject to notice of issuance on the NASDAQ Global Market.

(mm) There are no relationships, direct or indirect, or related-party transactions involving the Company or its subsidiaries or any other person required to be described in the Registration Statement and the Prospectus which have not been described in such documents and the General Disclosure Package as required.

(nn) No subsidiary of the Company is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's property or assets to the Company or any other subsidiary of the Company.

(oo) No labor disturbance by or dispute with employees of the Company or its subsidiaries exists or, to the knowledge of the Company, is contemplated or threatened.

(pp) Neither the Company nor its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against the Company or its subsidiaries or any Underwriter for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Shares.

(qq) The preclinical tests and clinical trials, and other studies (collectively, "**studies**") that are described in, or the results of which are referred to in, the Registration Statement, the General Disclosure Package or the Prospectus were and, if still pending, are being conducted in all material respects in accordance with the protocols, procedures and controls designed and approved for such studies and with standard medical and scientific research procedures; each description of the results of such studies is accurate and complete in all material respects and fairly presents the data derived from such studies, and the Company has no knowledge of any other studies the results of which are inconsistent with, or otherwise call into question, the results described or referred to in the Registration Statement, the General Disclosure Package or the Prospectus; the Company has made all such filings and obtained all such approvals or authorizations as may be required by the Food and Drug Administration of the U.S. Department of Health and Human Services or from any other U.S. or foreign government or drug or medical device regulatory agency, or health care facility Institutional Review Board (collectively, the "**Regulatory Agencies**"), except where the failure to make such filing or obtain such approval would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect; except as described in the Registration Statement, the General Disclosure Package and the Prospectus, the Company has not received any notice of, or correspondence from, any Regulatory Agency requiring the termination, suspension or material modification of any clinical trials that are described or referred to in the Registration Statement, the General Disclosure Package, nor is the Company aware of any reasonable grounds for such notice or correspondence; and the Company has operated and currently is in compliance in all material respects with all applicable rules, regulations and policies of the Regulatory Agencies.

(rr) The Company and its subsidiaries are, and at all times have been, in compliance with all applicable statutes, rules and regulations applicable to the Health Care Laws except where failure to be in compliance would not be expected reasonably to have a Material Adverse Effect. For purposes of this Agreement, "**Health Care Laws**" means: (i) the Federal Food, Drug, and Cosmetic Act and the regulations promulgated thereunder; (ii) all applicable federal, state, local and all applicable foreign health care related fraud and abuse laws, including, without limitation, the U.S. Anti-Kickback Statute (42 U.S.C. Section 1320a-7b(b)), the Anti-Inducement Law (42 U.S.C. § 1320a-7a(a)(5)), the U.S. Civil False Claims Act (31 U.S.C. Section 3729 et seq.), all criminal laws relating to health care fraud and abuse, including but not limited to 18 U.S.C. Sections 286 and 287, and the health care fraud criminal provisions under the U.S. Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**") (42 U.S.C. Section 1320d et seq.), the exclusion laws, the statutes, regulations and directives of applicable government funded or sponsored healthcare programs, and the regulations promulgated pursuant to such statutes; (iii) the Standards for Privacy of Individually Identifiable Health Information (the "**Privacy Rule**"), the Security Standards, and the Standards for Electronic Transactions and Code Sets promulgated under HIPAA, the Health Information Technology for Economic and Clinical Health Act (42 U.S.C. Section 17921 et seq.), and the regulations promulgated thereunder and any state or non-U.S. counterpart thereof or other law or regulation the purpose of which is to protect the privacy of individuals or prescribers; (iv) the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Affordability Reconciliation Act of 2010, the regulations promulgated thereunder; (v) the U.S. Controlled Substances Act (21 U.S.C. Section 801 et seq.); and (vi) any and all other applicable

health care laws and regulation applicable to the ownership, testing, development, manufacture, packaging, processing, use, distribution, marketing, advertising, labeling, promotion, sale, offer for sale, storage, import, export or disposal of any product manufactured or distributed by the Company. Neither the Company nor its subsidiaries has received written notice of any claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any court or arbitrator or governmental or regulatory authority or third party alleging that any product operation or activity is in material violation of any Health Care Laws, and, to the Company's knowledge, no such claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action is threatened. Neither the Company nor its subsidiaries is a party to any corporate integrity agreements, monitoring agreements, consent decrees, settlement orders, or similar agreements with or imposed by any governmental or regulatory authority. Additionally, neither the Company nor any of its employees, officers or directors, nor its subsidiaries nor any of such subsidiaries' employees, officers or directors has been excluded, suspended or debarred from participation in any U.S. federal health care program or human clinical research or, to the knowledge of the Company, is subject to a governmental inquiry, investigation, proceeding, or other similar action that could reasonably be expected to result in debarment, suspension, or exclusion. The Company and its subsidiaries have filed, obtained, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by the Health Care Laws, and all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were timely, complete, accurate and not misleading on the date filed in all material respects (or were corrected or supplemented by a subsequent submission).

## 2. PURCHASE, SALE AND DELIVERY OF THE FIRM SHARES.

(a) On the basis of the representations, warranties and covenants herein contained, and subject to the conditions herein set forth, the Company agrees to sell to the Underwriters and each Underwriter agrees, severally and not jointly, to purchase, at a price of \$ \_\_\_\_\_ per share, the number of Firm Shares set forth opposite the name of each Underwriter on Schedule I hereto, subject to adjustments in accordance with Section 8 hereof.

(b) Payment for the Firm Shares to be sold hereunder is to be made in federal (same day) funds against delivery of certificates therefor to the Representatives for the several accounts of the Underwriters. Such payment and delivery are to be made through the facilities of The Depository Trust Company, New York, New York, at 10:00 a.m., New York time, on the third business day after the date of this Agreement or at such other time and date not later than five business days thereafter as you and the Company shall agree upon, such time and date being herein referred to as the "**Closing Date**." As used herein, "**business day**" means a day on which the New York Stock Exchange is open for trading and on which banks in New York are open for business and are not permitted by law or executive order to be closed.

(c) In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company hereby grants an option to the several Underwriters to purchase the Option Shares as set forth on Schedule II hereto at the price per share as set forth in Section 2(a) hereof, less an amount per share equal to any dividends or distributions declared by the Company and payable on the Shares but not payable on the Option Shares. The option granted hereby may be exercised in whole or in part by giving written notice (i) at any time before the Closing Date and (ii) within 30 days after the date of this Agreement, by you, as Representatives of the several Underwriters, to the Company setting forth the number of Option Shares as to which the several Underwriters are exercising the option and the time and date at which such Option Shares are to be delivered. The time and date at which the Option Shares are to be delivered shall be determined by the Representatives but shall not be earlier than three nor later than ten full business days after the exercise of such option, nor in any event prior to the

Closing Date (such time and date being herein referred to as the “**Option Closing Date**”). If the date of exercise of the option is one or more days before the Closing Date, the notice of exercise shall set the Closing Date as the Option Closing Date. The number of Option Shares to be purchased by each Underwriter shall be in the same proportion to the total number of Option Shares being purchased as the number of Firm Shares being purchased by such Underwriter bears to the total number of Firm Shares, adjusted by you in such manner as to avoid fractional shares. You, as Representatives of the several Underwriters, may cancel such option at any time prior to its expiration by giving written notice of such cancellation to the Company. To the extent, if any, that the option is exercised, payment for the Option Shares shall be made on the Option Closing Date in federal (same day funds) through the facilities of The Depository Trust Company in New York, New York drawn to the order of the Company.

### 3. OFFERING BY THE UNDERWRITERS.

It is understood that the several Underwriters are to make a public offering of the Firm Shares as soon as the Representatives deem it advisable to do so. The Firm Shares are to be initially offered to the public at the initial public offering price set forth in the Prospectus. The Representatives may from time to time thereafter change the public offering price and other selling terms.

It is further understood that you will act as the Representatives for the Underwriters in the offering and sale of the Shares in accordance with a Master Agreement Among Underwriters entered into by you and the several other Underwriters.

### 4. COVENANTS OF THE COMPANY.

The Company covenants and agrees with the several Underwriters that:

(a) The Company will (i) prepare and timely file with the Commission under Rule 424(b) under the Act a Prospectus in a form approved by the Representatives containing information previously omitted at the time of effectiveness of the Registration Statement in reliance on Rules 430A, 430B or 430C under the Act, and (ii) not file any amendment to the Registration Statement or any documents incorporated by reference therein or distribute an amendment or supplement to the General Disclosure Package or the Prospectus of which the Representatives shall not previously have been advised and furnished with a copy or to which the Representatives shall have reasonably objected in writing or which is not in compliance with the Rules and Regulations.

(b) The Company will (i) not make any offer relating to the Shares that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a “free writing prospectus” (as defined in Rule 405 under the Act) required to be filed by the Company with the Commission under Rule 433 under the Act unless the Representatives approve its use in writing prior to first use (each, a “**Permitted Free Writing Prospectus**”); *provided* that the prior written consent of the Representatives hereto shall be deemed to have been given in respect of the Issuer Free Writing Prospectus(es) included on Schedule IV hereto, (ii) treat each Permitted Free Writing Prospectus as an Issuer Free Writing Prospectus, (iii) comply with the requirements of Rules 164 and 433 under the Act applicable to any Issuer Free Writing Prospectus, including the requirements relating to timely filing with the Commission, legending and record keeping and (iv) not take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Act a free writing prospectus prepared by or on behalf of such Underwriter that such Underwriter otherwise would not have been required to file thereunder. The Company will satisfy the conditions in Rule 433 under the Act to avoid a requirement to file with the Commission any electronic road show.

(c) The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of the Securities within the meaning of the Act and (ii) completion of the 180-day restricted period referred to in Section 4(k) hereof.

(d) The Company will advise the Representatives promptly (i) when the Registration Statement or any post-effective amendment thereto shall have become effective, (ii) of receipt of any comments from the Commission, (iii) when any supplement to the Prospectus, any Issuer Free Writing Prospectus, or any amendment to the Prospectus has been filed, (iv) of any request of the Commission for amendment of the Registration Statement or for supplement to the General Disclosure Package or the Prospectus or for any additional information, (v) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any order preventing or suspending the use of any Preliminary Prospectus, any Issuer Free Writing Prospectus, or the Prospectus, or of the institution of any proceedings for that purpose or pursuant to Section 8A of the Act, (vi) of the occurrence of any event or development within the Prospectus Delivery Period as a result of which the Prospectus, the General Disclosure Package or any Issuer Free Writing Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus, the General Disclosure Package or any such Issuer Free Writing Prospectus is delivered to a purchaser, not misleading, and (vii) of the receipt by the Company of any notice with respect to any suspension of the qualification of the Shares for offer and sale in any jurisdiction or the initiation or, to the knowledge of the Company, threatening of any proceeding for such purpose. The Company will use its best efforts to prevent the issuance of any order, suspension or qualification referred to in clause (v) or (vii) of this paragraph and to obtain as soon as possible the lifting thereof, if issued.

(e) The Company will cooperate with the Representatives in endeavoring to qualify the Shares for sale under the securities laws of such jurisdictions as the Representatives may reasonably have designated in writing and will make such applications, file such documents, and furnish such information as may be reasonably required for that purpose; *provided* that the Company shall not be required to (i) qualify as a foreign corporation, (ii) file a general consent to service of process in any jurisdiction where it is not now so qualified or required to file such a consent, or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject. The Company will, from time to time, prepare and file such statements, reports, and other documents, as are or may be required to continue such qualifications in effect for so long a period as the Representatives may reasonably request for distribution of the Shares.

(f) The Company will deliver to, or upon the order of, the Representatives, from time to time, as many copies of any Preliminary Prospectus as the Representatives may reasonably request. The Company will deliver to, or upon the order of, the Representatives, from time to time, as many copies of any Issuer Free Writing Prospectus as the Representatives may reasonably request. The Company will deliver to, or upon the order of, the Representatives during the period when delivery of a Prospectus (or, in lieu thereof, the notice referred to under Rule 173(a) under the Act) (the “**Prospectus Delivery Period**”) is required under the Act, as many copies of the Prospectus in final form, or as thereafter amended or supplemented, as the Representatives may reasonably request. If requested, the Company will deliver to the Representatives at or before the Closing Date, four signed copies of the Registration Statement and all amendments thereto including all exhibits filed therewith, and will deliver to the Representatives such number of copies of the Registration Statement (including such number of copies of the exhibits filed therewith that may reasonably be requested), and of all amendments thereto, as the Representatives may reasonably request.

(g) The Company will comply with the Act and the Rules and Regulations, and the Exchange Act, and the rules and regulations of the Commission thereunder, so as to permit the completion of the distribution of the Shares as contemplated in this Agreement and the Prospectus. If during the period in which a prospectus (or, in lieu thereof, the notice referred to under Rule 173(a) under the Act) is required by law to be delivered by an Underwriter or dealer, any event or development shall occur as a result of which, in the judgment of the Company or in the opinion of the Underwriters, it becomes necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances existing at the time the Prospectus is delivered to a purchaser, not misleading, or, if it is necessary at any time to amend or supplement the Prospectus to comply with any law, the Company promptly will prepare and file with the Commission an appropriate amendment to the Registration Statement or supplement to the Prospectus so that the Prospectus as so amended or supplemented will not, in the light of the circumstances when it is so delivered, be misleading, or so that the Prospectus will comply with the law.

(h) If the General Disclosure Package is being used to solicit offers to buy the Shares at a time when the Prospectus is not yet available to prospective purchasers and any event or development shall occur or condition shall exist as a result of which, in the judgment of the Company or in the opinion of the Underwriters, it becomes necessary to amend or supplement the General Disclosure Package in order to make the statements therein, in the light of the circumstances, not misleading, or to make the statements therein not conflict with the information contained in the Registration Statement then on file, or if it is necessary at any time to amend or supplement the General Disclosure Package to comply with any law, the Company promptly will prepare, file with the Commission (if required) and furnish to the Underwriters and any dealers an appropriate amendment or supplement to the General Disclosure Package so that the General Disclosure Package as so amended or supplemented will not, in the light of the circumstances, be misleading or conflict with the Registration Statement then on file, or so that the General Disclosure Package will comply with law. If any Testing-the-Waters Presentation is being used to solicit indications of interest in the Shares or the Company more generally and any event or development shall occur or condition shall exist as a result of which, in the judgment of the Company or in the opinion of the Underwriters, it becomes necessary to amend, supplement or otherwise supersede such Testing-the-Waters Presentation in order to make the statements therein, in the light of the circumstances, not misleading, or to make the statements therein not conflict with the information contained in the Registration Statement then on file, or if it is necessary at any time to amend, supplement or supersede any Testing-the-Waters Presentation to comply with any law, the Company promptly will prepare and furnish to the Underwriters an appropriate amendment, supplement or replacement to such Testing-the-Waters Presentation so that such Testing-the-Waters Presentation, as so amended, supplemented or superseded, will not, in the light of the circumstances, be misleading or conflict with the Registration Statement then on file, or so that such Testing-the-Waters Presentation will comply with law.

(i) The Company will make generally available to its security holders, as soon as it is practicable to do so, but in any event not later than 15 months after the effective date of the Registration Statement, an earnings statement (which need not be audited) in reasonable detail, covering a period of at least 12 consecutive months beginning after the effective date of the Registration Statement, which earnings statement shall satisfy the requirements of Section 11(a) of the Act and Rule 158 under the Act and will advise you in writing when such statement has been so made available.

(j) Prior to the Closing Date, the Company will furnish to the Underwriters, as soon as they have been prepared by or are available to the Company, a copy of any unaudited interim financial statements of the Company for any period subsequent to the period covered by the most recent financial statements appearing in the Registration Statement, the General Disclosure Package and the Prospectus.

(k) No offering, pledge, sale, contract to sell, short sale or other disposition of any shares of Common Stock or other securities convertible into or exchangeable or exercisable for shares of Common Stock or derivative of Common Stock (or agreement for such) will be made for a period of 180 days after the



date of the Prospectus, directly or indirectly, by the Company otherwise than hereunder or with the prior written consent of each of the Representatives, *provided, however*, that the Company may (i) effect the transactions contemplated hereby, (ii) issue Shares pursuant to the exercise of warrants outstanding as of the date hereof and described in the Registration Statement, the General Disclosure Package and the Prospectus, but only if the holders of such Shares or warrants agree in writing with the Underwriters not to sell, offer, dispose of or otherwise transfer any such Shares or warrants during the 180-day restricted period (iii) issue Shares or options to purchase Shares, or issue Shares upon exercise of options, pursuant to any stock option, stock bonus or other stock plan or arrangement described in the Registration Statement, the General Disclosure Package and the Prospectus, but only if the holders of such Shares or options agree in writing with the Underwriters not to sell, offer, dispose of or otherwise transfer any such Shares or options during the 180-day restricted period and (iv) issue Shares or Related Securities in connection with a licensing arrangement, joint venture, acquisition or business combination or other collaboration or strategic transaction (including the filing of a registration statement on Form S-4 or other appropriate form with respect thereto); *provided that*, in the case of clause (iv), recipients of such Shares or Related Securities agree to be bound by the terms of the lockup letter in the form of Exhibit A hereto and the sum of the aggregate number of Shares or Related Securities so issued shall not exceed 5% of the total outstanding shares of Common Stock. For purposes of the foregoing, “**Related Securities**” shall mean any options or warrants or other rights to acquire Shares or any securities exchangeable or exercisable for or convertible into Shares, or to acquire other securities or rights ultimately exchangeable or exercisable for, or convertible into, Shares.

(l) The Company will use its best efforts to effect and maintain the listing of the Common Stock on the NASDAQ Global Market.

(m) The Company has caused each officer and director and the specific stockholders set forth on Schedule VI hereto of the Company to execute and deliver to you, on or prior to the date of this agreement, a letter or letters, substantially in the form attached hereto as Exhibit A (the “**Lockup Agreement**”). If each of the Representatives, in their sole discretion, agrees to release or waive the restrictions set forth in a Lockup Agreement for an officer or director of the Company and provides the Company with notice of the impending release or waiver, substantially in the form attached as Exhibit B hereto, at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit C hereto through a major news service at least two business days before the effective date of the release or waiver.

(n) The Company shall apply the net proceeds of its sale of the Shares as set forth in the Registration Statement, the General Disclosure Package and the Prospectus.

(o) The Company shall not invest, or otherwise use the proceeds received by the Company from its sale of the Shares in such a manner as would require the Company or any of its subsidiaries to register as an investment company under the 1940 Act.

(p) The Company will maintain a transfer agent and, if necessary under the jurisdiction of incorporation of the Company, a registrar for the Common Stock.

(q) The Company will not take, directly or indirectly, any action designed to cause or result in, or that has constituted or might reasonably be expected to constitute, the stabilization or manipulation of the price of any securities of the Company.

## 5. COSTS AND EXPENSES.

The Company will pay all costs, expenses and fees incident to the performance of the obligations of the Company under this Agreement, including, without limiting the generality of the foregoing, the following: (i) accounting fees of the Company; (ii) the fees and disbursements of counsel for the Company; (iii) all costs and expenses related to the transfer and delivery of the Shares to the Underwriters, including any transfer or other taxes payable thereon; (iv) any roadshow expenses, *provided, however*, that the Underwriters and the Company agree that the Underwriters shall be responsible for the payment of the Underwriters' food and lodging expenses and fifty percent (50%) of the cost of aircraft and other transportation chartered in connection with the road show; (v) the cost of printing and delivering to, or as requested by, the Underwriters copies of the Registration Statement, Preliminary Prospectuses, the Issuer Free Writing Prospectuses, the Prospectus, this Agreement, the listing application, any Blue Sky survey, in each case, any supplements or amendments thereto; (vi) the filing fees of the Commission; (vii) the filing fees and expenses (including legal fees and disbursements of counsel for the Underwriters in an amount not to exceed \$25,000) incident to securing any required review by FINRA of the terms of the sale of the Shares; (viii) all expenses and application fees related to the listing of the Shares on of the NASDAQ Global Market; (ix) the cost of printing certificates, if any, representing the Shares; (x) the costs and charges of any transfer agent, registrar or depositary; (xi) the costs and expenses (including without limitation any damages or other amounts payable in connection with legal or contractual liability) associated with the reforming of any contracts for sale of the Shares made by the Underwriters caused by a breach of the representation in Section 1(b) hereof; and (xii) and the expenses, including the fees and disbursements of counsel for the Underwriters, incurred in connection with the qualification of the Shares under foreign or state securities or Blue Sky laws and the preparation, printing and distribution of a Blue Sky memorandum (including the related fees and expenses of counsel for the Underwriters) in an amount not to exceed \$15,000. The Company shall not, however, be required to pay for any of the Underwriter's expenses (other than those related to qualification under FINRA regulation and state securities or Blue Sky laws) except that, if this Agreement shall not be consummated because the conditions in Section 6 hereof are not satisfied, or because this Agreement is terminated by the Representatives pursuant to Section 10 hereof, or by reason of any failure, refusal or inability on the part of the Company to perform any undertaking or satisfy any condition of this Agreement or to comply with any of the terms hereof on its part to be performed, unless such failure, refusal or inability is due primarily to the default or omission of any Underwriter, the Company shall reimburse the several Underwriters for reasonable out-of-pocket expenses, including fees and disbursements of counsel, reasonably incurred in connection with investigating, marketing and proposing to market the Shares or in contemplation of performing their obligations hereunder; but the Company shall not in any event be liable to any of the several Underwriters for damages on account of loss of anticipated profits from the sale by them of the Shares. Except as provided in this Section 5, the Underwriters shall pay their own expenses, including the fees and disbursements of their counsel.

## 6. CONDITIONS OF OBLIGATIONS OF THE UNDERWRITERS.

The several obligations of the Underwriters to purchase the Firm Shares on the Closing Date and the Option Shares, if any, on the Option Closing Date are subject to the accuracy, as of the Applicable Time, the Closing Date or the Option Closing Date, as the case may be, of the representations and warranties of the Company contained herein, and to the performance by the Company of its covenants and obligations hereunder and to the following additional conditions:

(a) The Registration Statement and all post-effective amendments thereto shall have become effective and the Prospectus and each Issuer Free Writing Prospectus required shall have been filed as required by Rules 424, 430A, 430B, 430C or 433 under the Act, as applicable, within the time period prescribed by, and in compliance with, the Rules and Regulations, and any request of the Commission for

additional information (to be included in the Registration Statement or otherwise) shall have been disclosed to the Representatives and complied with to their reasonable satisfaction. No stop order suspending the effectiveness of the Registration Statement, as amended from time to time, shall have been issued and no proceedings for that purpose or pursuant to Section 8A under the Act shall have been taken or, to the knowledge of the Company, shall be contemplated or threatened by the Commission and no injunction, restraining order or order of any nature by a federal or state court of competent jurisdiction shall have been issued as of the Closing Date which would prevent the issuance of the Shares.

(b) The Representatives shall have received on the Closing Date or the Option Closing Date, as the case may be, the opinion and negative assurance letter of Hogan Lovells US LLP, counsel for the Company, dated the Closing Date or the Option Closing Date, as the case may be, addressed to the Underwriters (and stating that it may be relied upon by counsel to the Underwriters) substantially in the form of Annex A hereto.

(c) The Representatives shall have received on the Closing Date or the Option Closing Date, as the case may be, the opinion of Wilson Sonsini Goodrich & Rosati P.C., intellectual property counsel for the Company, dated the Closing Date or the Option Closing Date, as the case may be, addressed to the Underwriters (and stating that it may be relied upon by counsel to the Underwriters) substantially in the form of Annex B hereto.

(d) The Representatives shall have received from Cooley LLP, counsel for the Underwriters, an opinion and 10b-5 statement, dated the Closing Date or the Option Closing Date, as the case may be, with respect to such matters as the Representatives may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(e) The Representatives shall have received, on each of the date hereof, the Closing Date and, if applicable, the Option Closing Date, a letter dated the date hereof, the Closing Date or the Option Closing Date, as the case may be, in form and substance satisfactory to them, of Deloitte & Touche LLP confirming that they are an independent registered public accounting firm with respect to the Company and the Subsidiaries within the meaning of the Act and the applicable Rules and Regulations and the PCAOB and stating that in their opinion the financial statements and schedules examined by them and included in the Registration Statement, the General Disclosure Package and the Prospectus comply in form in all material respects with the applicable accounting requirements of the Act and the related Rules and Regulations; and containing such other statements and information as is ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial and statistical information contained in the Registration Statement, the General Disclosure Package and the Prospectus.

(f) The Representatives shall have received on the Closing Date and, if applicable, the Option Closing Date, as the case may be, a certificate or certificates of the Chief Executive Officer and the Chief Financial Officer of the Company to the effect that, as of the Closing Date or the Option Closing Date, as the case may be, each of them severally represents as follows:

(i) The Registration Statement has become effective under the Act and no stop order suspending the effectiveness of the Registration Statement or no order preventing or suspending the use of any Preliminary Prospectus, any Issuer Free Writing Prospectus or the Prospectus has been issued, and no proceedings for such purpose or pursuant to Section 8A of the Act have been taken or are, to his or her knowledge, contemplated or threatened by the Commission;

(ii) The representations and warranties of the Company contained in Section 1 hereof are true and correct as of the Closing Date or the Option Closing Date, as the case may be;

(iii) All filings required to have been made pursuant to Rules 424, 430A, 430B or 430C under the Act have been made as and when required by such rules;

(iv) He or she has carefully examined the General Disclosure Package and any individual Limited Use Free Writing Prospectus and, in his or her opinion, as of the Applicable Time, the statements contained in the General Disclosure Package and any individual Limited Use Free Writing Prospectus did not contain any untrue statement of a material fact, and such General Disclosure Package and any individual Limited Use Free Writing Prospectus, when considered together with the General Disclosure Package, did not omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(v) He or she has carefully examined the Registration Statement and, in his or her opinion, as of the effective date of the Registration Statement, the Registration Statement and any amendments thereto did not contain any untrue statement of a material fact and did not omit to state a material fact necessary in order to make the statements therein not misleading, and since the effective date of the Registration Statement, no event has occurred which should have been set forth in a supplement to or an amendment of the Prospectus which has not been so set forth in such supplement or amendment;

(vi) He or she has carefully examined the Prospectus and, in his or her opinion, as of its date and the Closing Date or the Option Closing Date, as the case may be, the Prospectus and any amendments and supplements thereto did not contain any untrue statement of a material fact and did not omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(vii) Since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package and Prospectus, there has not been a Material Adverse Effect, whether or not arising in the ordinary course of business; subsequent to the execution and delivery of this Agreement and prior to the Closing Date, there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any of the securities of the Company or any of its subsidiaries by any "nationally recognized statistical rating organization," as such term is defined in Section 3(a)(62) of the Exchange Act, and there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the General Disclosure Package that, in your judgment, is material and adverse and that makes it, in your judgment, impracticable to market the Shares on the terms and in the manner contemplated in the General Disclosure Package.

(f) [The Representatives shall have received on the Closing Date and, if applicable, the Option Closing Date, as the case may be, a certificate or certificates of the Chief Financial Officer of the Company, dated as of the Closing Date or the Option Closing Date, as the case may be, with respect to the accuracy of certain financial information included in the Registration Statement, the General Disclosure Package or the Prospectus not otherwise covered by the applicable comfort letter described in Section 6(e) in a form reasonably acceptable to the Representatives.]

(g) The Company shall have furnished to the Representatives such further certificates and documents confirming the representations and warranties, covenants and conditions contained herein and related matters as the Representatives may reasonably have requested.

(h) The Firm Shares and Option Shares, if any, have been approved for quotation upon notice of issuance on the NASDAQ Global Market.

(i) The Lockup Agreements described in Section 4(m) hereof are in full force and effect.

(j) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date or the Option Closing Date, as the case may be, prevent the issuance or sale of the Shares by the Company; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date or the Option Closing Date, as the case may be, prevent the issuance or sale of the Shares by the Company.

The opinions and certificates mentioned in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in all material respects satisfactory to the Representatives and to Cooley LLP, counsel for the Underwriters.

If any of the conditions hereinabove provided for in this Section 6 shall not have been fulfilled when and as required by this Agreement to be fulfilled, the obligations of the Underwriters hereunder may be terminated by the Representatives by notifying the Company of such termination in writing or by telegram at or prior to the Closing Date or the Option Closing Date, as the case may be.

In such event, the Company and the Underwriters shall not be under any obligation to each other (except to the extent provided in Sections 5 and 7 hereof).

#### 7. INDEMNIFICATION.

(a) The Company agrees:

(i) to indemnify and hold harmless each Underwriter, the directors and officers of each Underwriter and each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Act or Section 20 of the Exchange Act, and each of their respective affiliates, against any losses, claims, damages or liabilities to which such Underwriter or any such controlling person may become subject under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, any Preliminary Prospectus, any Issuer Free Writing Prospectus, any Testing-the-Waters Communication, the Prospectus or any amendment or supplement thereto, or any road show as defined in Rule 433(h) under the Act (a “**road show**”), (ii) with respect to the Registration Statement or any amendment or supplement thereto, the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) with respect to any Preliminary Prospectus, any Issuer Free Writing Prospectus, or road show, any Testing-the-Waters Communication, the Prospectus or any amendment or supplement thereto, the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made; *provided, however*, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement, or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, any Issuer Free Writing

Prospectus, the Prospectus, or such amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by or through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 12 hereof; and

(ii) to reimburse each Underwriter, each Underwriters' directors, officers and affiliates, and each such controlling person upon demand for any legal or other out-of-pocket expenses reasonably incurred by such Underwriter or such controlling person in connection with investigating or defending any such loss, claim, damage or liability, action or proceeding or in responding to a subpoena or governmental inquiry related to the offering of the Shares, whether or not such Underwriter or controlling person is a party to any action or proceeding. In the event that it is finally judicially determined that the Underwriters were not entitled to receive payments for legal and other expenses pursuant to this subparagraph, the Underwriters will promptly return all sums that had been advanced pursuant hereto.

(b) Each Underwriter severally and not jointly will indemnify and hold harmless the Company, each of its directors, each of its officers who have signed the Registration Statement and each person, if any, who controls the Company within the meaning of the Act, against any losses, claims, damages or liabilities to which the Company or any such director, officer, or controlling person may become subject under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, any Preliminary Prospectus, any Issuer Free Writing Prospectus, the Prospectus or any amendment or supplement thereto, (ii) with respect to the Registration Statement or any amendment or supplement thereto, the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) with respect to any Preliminary Prospectus, any Issuer Free Writing Prospectus, the Prospectus or any amendment or supplement thereto, the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made; and will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer or controlling person in connection with investigating or defending any such loss, claim, damage, liability, action or proceeding; *provided, however*, that each Underwriter will be liable in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission has been made in the Registration Statement, any Preliminary Prospectus, any Issuer Free Writing Prospectus, the Prospectus or such amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by or through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 12 hereof. This indemnity agreement will be in addition to any liability which such Underwriter may otherwise have.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to this Section 7, such person (the "**indemnified party**") shall promptly notify the person against whom such indemnity may be sought (the "**indemnifying party**") in writing. No indemnification provided for in Section 7(a) or (b) hereof shall be available to any party who shall fail to give notice as provided in this Section 7(c) if the party to whom notice was not given was unaware of the proceeding to which such notice would have related and was materially prejudiced (through the forfeiture of substantive rights or defenses) by the failure to give such notice, but the failure to give such notice shall not relieve the indemnifying party or parties from any liability which it or they may have to the indemnified party for contribution or otherwise than on account of the provisions of Section 7(a) or (b) hereof. In case any such proceeding shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly

notified, to assume the defense thereof, with counsel satisfactory to such indemnified party and shall pay as incurred the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel at its own expense. Notwithstanding the foregoing, the indemnifying party shall pay as incurred (or within 30 days of presentation) the fees and expenses of the counsel retained by the indemnified party in the event (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel, (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them or (iii) the indemnifying party shall have failed to assume the defense and employ counsel acceptable to the indemnified party within a reasonable period of time after notice of commencement of the action. Such firm shall be designated in writing by you in the case of parties indemnified pursuant to Section 7 (a) or (b) hereof and by the Company in the case of parties indemnified pursuant to Section 7(b) hereof. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. In addition, the indemnifying party will not, without the prior written consent of the indemnified party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding of which indemnification may be sought hereunder (whether or not any indemnified party is an actual or potential party to such claim, action or proceeding) unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such claim, action or proceeding and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party. If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(d) To the extent the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party under Section 7(a) or (b) hereof in respect of any losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions or proceedings in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section 7(d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to above in this Section 7(d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7(d), (i) no Underwriter shall be required to contribute any amount in excess of the underwriting discounts and commissions applicable to the Shares purchased by such Underwriter and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this Section 7(d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) In any proceeding relating to the Registration Statement, any Preliminary Prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, the Prospectus or any supplement or amendment thereto, each party against whom contribution may be sought under this Section 7 hereby consents to the exclusive jurisdiction of (i) the federal courts of the United States of America located in the City and County of New York, Borough of Manhattan and (ii) the courts of the State of New York located in the City and County of New York, Borough of Manhattan (collectively, the "**Specified Courts**"), agrees that process issuing from such courts may be served upon it by any other contributing party and consents to the service of such process and agrees that any other contributing party may join it as an additional defendant in any such proceeding in which such other contributing party is a party. The Company irrevocably appoints Hogan Lovells US LLP as its agent to receive service of process or other legal summons for purposes of any such suit, action or proceeding that may be instituted in any state or federal court in the City and County of New York.

(f) Any losses, claims, damages, liabilities or expenses for which an indemnified party is entitled to indemnification or contribution under this Section 7 shall be paid by the indemnifying party to the indemnified party as such losses, claims, damages, liabilities or expenses are incurred. The indemnity and contribution agreements contained in this Section 7 and the representations and warranties of the Company set forth in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Underwriter, its directors or officers or any person controlling any Underwriter, the Company, its directors or officers or any persons controlling the Company, (ii) acceptance of any Shares and payment therefor hereunder, and (iii) any termination of this Agreement. A successor to any Underwriter, its directors or officers or any person controlling any Underwriter, or to the Company, its directors or officers, or any person controlling the Company, shall be entitled to the benefits of the indemnity, contribution and reimbursement agreements contained in this Section 7.

#### 8. DEFAULT BY UNDERWRITERS.

If on the Closing Date or the Option Closing Date, as the case may be, any Underwriter shall fail to purchase and pay for the portion of the Shares which such Underwriter has agreed to purchase and pay for on such date (otherwise than by reason of any default on the part of the Company), you, as Representatives of the Underwriters, shall use your reasonable efforts to procure within 36 hours thereafter one or more of the other Underwriters, or any others, to purchase from the Company such amounts as may be agreed upon and upon the terms set forth herein, the Shares which the defaulting Underwriter or Underwriters failed to purchase. If during such 36 hours you, as such Representatives, shall not have procured such other Underwriters, or any others, to purchase the Shares agreed to be purchased by the defaulting Underwriter or



Underwriters, then (a) if the aggregate number of shares with respect to which such default shall occur does not exceed 10% of the Shares to be purchased on the Closing Date or the Option Closing date, as the case may be, the other Underwriters shall be obligated, severally, in proportion to the respective numbers of Shares which they are obligated to purchase hereunder, to purchase the Shares which such defaulting Underwriter or Underwriters failed to purchase, or (b) if the aggregate number of shares of Shares with respect to which such default shall occur exceeds 10% of the Shares to be purchased on the Closing Date or the Option Closing Date, as the case may be, the Company or you as the Representatives of the Underwriters will have the right, by written notice given within the next 36-hour period to the parties to this Agreement, to terminate this Agreement without liability on the part of the non-defaulting Underwriters or of the Company except to the extent provided in Sections 5 and 7 hereof. In the event of a default by any Underwriter or Underwriters, as set forth in this Section 8, the Closing Date or Option Closing Date, as the case may be, may be postponed for such period, not exceeding seven days, as you, as Representatives, may determine in order that the required changes in the Registration Statement, the General Disclosure Package or in the Prospectus or in any other documents or arrangements may be effected. The term "Underwriter" includes any person substituted for a defaulting Underwriter. Any action taken under this Section 8 shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

#### 9. NOTICES.

All communications hereunder shall be in writing and, except as otherwise provided herein, will be mailed, delivered, telecopied or telegraphed and confirmed as follows: if to the Underwriters, to Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036, Attention: Equity Syndicate Desk, with a copy to the Legal Department, and to Citigroup Global Markets Inc., 388 Greenwich Street, New York, New York 10013, Attention: General Counsel, fax number: (646) 291-1469, in each case with a copy to Cooley LLP, 101 California Street, 5th Floor, San Francisco, CA 94111-5800, Attention: David Peinsipp; if to the Company, to Syndax Pharmaceuticals, Inc., 400 Totten Pond Road, Suite 110, Waltham, Massachusetts 02451, fax: (781) 419-1420, with a copy to Hogan Lovells US LLP, 4085 Campbell Avenue, Suite 100, Menlo Park, CA 94025, Attention: Laura Berezin.

#### 10. TERMINATION.

This Agreement may be terminated by you by notice to the Company (a) at any time prior to the Closing Date or any Option Closing Date (if different from the Closing Date and then only as to Option Shares) if any of the following has occurred: (i) since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package and the Prospectus, any material adverse change or any development involving a prospective material adverse change in or affecting the earnings, business, management, properties, assets, rights, operations, condition (financial or otherwise) or prospects of the Company and the subsidiaries taken as a whole, whether or not arising in the ordinary course of business; (ii) any outbreak or escalation of hostilities or declaration of war or national emergency or other national or international calamity or crisis (including, without limitation, an act of terrorism) or change in economic or political conditions if the effect of such outbreak, escalation, declaration, emergency, calamity, crisis or change on the financial markets of the United States would, in your judgment, materially impair the investment quality of the Shares; (iii) suspension of trading in securities generally on the New York Stock Exchange, the American Stock Exchange or the NASDAQ Stock Market or limitation on prices (other than limitations on hours or numbers of days of trading) for securities on any such exchange; (iv) the enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other governmental authority which in your opinion materially and adversely affects or may materially and adversely affect the business or operations of the Company; (v) the declaration of a banking moratorium by the United States or New York State and other jurisdictions as applicable authorities; (vi) any downgrading, or placement on any watch list for possible downgrading, in the rating of any of the Company's debt

securities or preferred stock by any “nationally recognized statistical rating organization” (within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act) or any public announcement by such organization that it has under surveillance or review, or has changed its outlook with respect to, its rating of any such debt securities or preferred stock (other than an announcement with positive implications of a possible upgrading); (vii) the suspension of trading of the Company’s common stock by the NASDAQ Global Market, the Commission or any other governmental authority; or (viii) the taking of any action by any governmental body or agency in respect of its monetary or fiscal affairs which in your opinion has a material adverse effect on the securities markets in the United States; or

(b) as provided in Sections 6 and 8 of this Agreement.

11. SUCCESSORS.

This Agreement has been and is made solely for the benefit of the Underwriters and the Company and their respective successors, executors, administrators, heirs and assigns, and the officers, directors and controlling persons referred to herein, and no other person will have any right or obligation hereunder. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign merely because of such purchase.

12. INFORMATION PROVIDED BY UNDERWRITERS.

The Company and the Underwriters acknowledge and agree that the only information furnished or to be furnished by any Underwriter to the Company for inclusion in the Registration Statement, any Preliminary Prospectus, any Issuer Free Writing Prospectus, or the Prospectus consists of the information set forth in the third and seventh paragraphs under the caption “Underwriting” in the Prospectus.

13. MISCELLANEOUS.

The reimbursement, indemnification and contribution agreements contained in this Agreement and the representations, warranties and covenants in this Agreement shall remain in full force and effect regardless of (a) any termination of this Agreement, (b) any investigation made by or on behalf of any Underwriter or controlling person thereof, or by or on behalf of the Company or its directors or officers, and (c) delivery of and payment for the Shares under this Agreement.

The Company acknowledges and agrees that each Underwriter in providing investment banking services to the Company in connection with the offering, including in acting pursuant to the terms of this Agreement, has acted and is acting as an independent contractor and not as a fiduciary and the Company does not intend such Underwriter to act in any capacity other than as an independent contractor, including as a fiduciary or in any other position of higher trust. Additionally, neither the Representatives nor any other Underwriter is advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company shall consult with their own advisors concerning such matters and shall be responsible for making their own independent investigation and appraisal of the transactions contemplated hereby, and the Underwriters shall have no responsibility or liability to the Company with respect thereto. Any review by the Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriters and shall not be on behalf of the Company.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

This Agreement shall be governed by, and construed in accordance with, the law of the State of New York, including, without limitation, Section 5-1401 of the New York General Obligations Law.

The Underwriters, on the one hand, and the Company (on its own behalf and, to the extent permitted by law, on behalf of its stockholders), on the other hand, waive any right to trial by jury in any action, claim, suit or proceeding with respect to your engagement as underwriter or your role in connection herewith.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicates hereof, whereupon it will become a binding agreement among the Company and the several Underwriters in accordance with its terms.

---

Very truly yours,

Syndax Pharmaceuticals, Inc.

By: \_\_\_\_\_

Name: Briggs Morrison, M.D.

Title: Chief Executive Officer

The foregoing Underwriting Agreement  
is hereby confirmed and accepted as  
of the date first above written.

MORGAN STANLEY & CO. LLC  
CITIGROUP GLOBAL MARKETS INC.

As Representatives of the several  
Underwriters listed on Schedule I hereto

By: Morgan Stanley & Co. LLC

By: \_\_\_\_\_  
Name:  
Title:

Citigroup Global Markets Inc.

By: \_\_\_\_\_  
Name:  
Title:

SCHEDULE I

SCHEDULE OF UNDERWRITERS

<u>Underwriter</u>	<u>Number of Firm Shares to be Purchased</u>
Morgan Stanley & Co. LLC	
Citigroup Global Markets Inc.	
JMP Securities LLC	
Oppenheimer & Co. Inc.	
Total	

SCHEDULE II

SCHEDULE OF OPTION SHARES

<u>Name of Seller</u>	<u>Maximum Number of Option Shares to be Sold</u>	<u>Percentage of Total Number of Option Shares</u>
Total		100%

[Price and other terms of the offering conveyed orally]



SCHEDULE IV

[List each Issuer Free Writing Prospectus to be included in the General Disclosure Package including Final Term Sheet, if applicable]

SCHEDULE V

[List each "Written Testing-the-Waters Communication"]

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SCHEDULE VI

[List each Stockholder Subject to Lockup]

FORM OF OPINION OF HOGAN LOVELLS US LLP

FORM OF OPINION OF WILSON SONSINI GOODRICH & ROSATI P.C.

FORM OF LOCK-UP AGREEMENT

, 2015

Syndax Pharmaceuticals, Inc.  
Morgan Stanley & Co. LLC  
Citigroup Global Markets Inc.

As Representatives of the  
Several Underwriters

c/o Morgan Stanley & Co. LLC  
1585 Broadway  
New York, New York 10036  
  
Citigroup Global Markets Inc.  
388 Greenwich Street  
New York, NY 10013

Ladies and Gentlemen:

The undersigned understands that Morgan Stanley & Co. LLC and Citigroup Global Markets Inc. as representatives (the “**Representatives**”) of the several underwriters (the “**Underwriters**”), propose to enter into an Underwriting Agreement (the “**Underwriting Agreement**”) with Syndax Pharmaceuticals, Inc. (the “**Company**”), providing for the public offering by the Underwriters, including the Representatives, of an unspecified number of shares of common stock, par value \$0.0001 per share (the “**Common Stock**”), of the Company (the “**Public Offering**”).

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, the undersigned agrees that, without the prior written consent of the Representatives, the undersigned will not, directly or indirectly, offer, sell, pledge, contract to sell (including any short sale), grant any option to purchase or otherwise transfer or dispose of any shares of Common Stock (including, without limitation, shares of Common Stock which may be deemed to be beneficially owned by the undersigned currently or hereafter in accordance with the rules and regulations of the Securities and Exchange Commission (the “**Commission**”), shares of Common Stock which may be issued upon exercise of a stock option or warrant and any other security convertible into or exchangeable for Common Stock), enter into any Hedging Transaction (as defined below) relating to the Common Stock (each of the foregoing referred to as a “**Disposition**”), or publicly announce any intention to do so, during the period commencing on the date hereof and continuing until, and including, the date that is 180 days after the date of the final prospectus relating to the Public Offering (the “**Lock-Up Period**”). The foregoing restriction is expressly intended to preclude the undersigned from engaging in any Hedging Transaction or other transaction which is designed to or reasonably expected to lead to or result in a Disposition during the Lock-Up Period even if the securities would be disposed of by someone other than the undersigned. “**Hedging Transaction**” means any short sale (whether or not against the box) or any purchase, sale or grant of any right (including, without limitation, any put or call option) with respect to any security (other than a broad-based market basket or index) that includes, relates to or derives any significant part of its value from the Common Stock.

The foregoing restrictions will not apply to the registration of the offer and sale of the shares of Common Stock, and the sale of the shares of Common Stock to the Underwriters, in each case as contemplated by the Underwriting Agreement. In addition, the foregoing restrictions shall not apply to the transfer of any or all of the shares of Common Stock or other Company securities by the undersigned if the transfer does not trigger any filing or reporting requirement or obligation or result in any other voluntary or mandatory public disclosure under Section 16(a) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and the transfer is (i) by gift, will or intestacy, (ii) to a trust whose beneficiaries consist exclusively of one or more of the undersigned and/or the family member(s) of the undersigned, (iii) a distribution to partners, members or shareholders of the undersigned, or to any corporation, partnership or limited liability company that is an affiliate (within the meaning set forth in Rule 405 as promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended) of the undersigned, or (iv) to the Company upon the exercise of options to cover tax withholding obligations in connection with such exercise or for the primary purpose of paying the exercise price of options or warrants to acquire shares of Common Stock in each case pursuant to a stock option, stock bonus or other stock plan, warrant agreement or other arrangement existing as of the date hereof and described in the Registration Statement and any Shares acquired shall remain subject to this Lock-Up Agreement; *provided, however*, it shall be a condition to the transfer that the transferee execute an agreement stating that the transferee is receiving and holding the securities subject to the provisions of this Lock-Up Agreement. In addition, the undersigned may enter into any plan designed to satisfy the requirements of Rule 10b5-1 under the Exchange Act (a “**10b5-1 Plan**”) (other than the entry into such a plan in such a manner as to allow the sale of shares of Common Stock or other Company securities, in each case, within the Lock-Up Period); *provided however*, no public announcement or filing under the Exchange Act regarding the establishment of such 10b5-1 Plan shall be required or made during the Lock-Up Period.

For the avoidance of doubt, the foregoing restrictions shall not apply to, and nothing in this Lock-Up Agreement prohibits the undersigned (or any family member of the undersigned) from (i) exercising any options, warrants or other rights to purchase shares of Common Stock pursuant to any stock option, stock bonus or other stock plan or any other arrangement existing as of the date hereof and described in the Registration Statement (which exercises may be effected on a cashless basis to the extent the instruments representing such options, warrants or other rights permit exercises on a cashless basis) or (ii) the grant by the Company of stock options or other stock-based awards to the undersigned pursuant to any stock option, stock bonus or other stock plan, warrant agreement or other arrangement existing as of the date hereof and described in the Registration Statement; *provided, however*, that in any such case, any shares of Common Stock or other Company securities acquired shall remain subject to this Lock-Up Agreement; and *provided further*, that in the case of clause (i) of this paragraph, such exercise does not trigger any filing or reporting requirement or obligation or result in any other mandatory public disclosure under Section 16(a) of the Exchange Act during the Lock-Up Period.

If the undersigned is an officer or director of the Company, (i) the Representatives agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of Common Stock, the undersigned will notify the Company of the impending release or waiver, and (ii) the Company has agreed or will agree in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the Representatives hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this letter to the extent and for the duration that such terms remain in effect at the time of the transfer.

Notwithstanding any other provision of this Lock-Up Agreement, the restrictions set forth in this Lock-Up Agreement shall apply to any shares sold to the undersigned, if the undersigned is a director or executive officer of the Company, pursuant to any Directed Share Program (as such term is defined in the Underwriting Agreement).

The undersigned agrees that the Company may, and that the undersigned authorizes the Company to, (i) with respect to any shares of Common Stock or other Company securities for which the undersigned is the record holder, cause the transfer agent for the Company to note stop transfer instructions with respect to such securities on the transfer books and records of the Company and (ii) with respect to any shares of Common Stock or other Company securities for which the undersigned is the beneficial holder but not the record holder, cause the record holder of such securities to cause the transfer agent for the Company to note stop transfer instructions with respect to such securities on the transfer books and records of the Company.

In addition, the undersigned hereby waives any and all notice requirements and rights with respect to registration of securities pursuant to any agreement, understanding or otherwise setting forth the terms of any security of the Company held by the undersigned, including any registration rights agreement to which the undersigned and the Company may be party; *provided* that such waiver shall apply only to the proposed Public Offering, and any other action taken by the Company in connection with the proposed Public Offering.

The undersigned hereby agrees that, to the extent that the terms of this Lock-Up Agreement conflict with or are in any way inconsistent with any registration rights agreement to which the undersigned and the Company may be a party, this Lock-Up Agreement supersedes such registration rights agreement.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Agreement. All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned and any obligations of the undersigned shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

Notwithstanding anything herein to the contrary, if (i) the Company notifies the Representatives in writing that it does not intend to proceed with the Public Offering prior to the execution of the Underwriting Agreement, (ii) the registration statement filed with the Commission with respect to the Public Offering is withdrawn and no replacement registration statement is re-filed with the Commission, (iii) the Underwriting Agreement is terminated for any reason or (iv) the closing of the Public Offering has not occurred prior to March 31, 2016, this Lock-Up Agreement shall be of no further force or effect.

This Lock-Up Agreement shall be governed by, and construed in accordance with, the law of the State of New York, including, without limitation, Section 5-1401 of the New York General Obligations Law.

Yours truly,

*Signature:* \_\_\_\_\_

*Print Name:* \_\_\_\_\_



EXHIBIT B

FORM OF WAIVER

**[Letterhead of the Applicable Representative]**

Syndax Pharmaceuticals, Inc.

Public Offering of Common Stock

[Date]

[Name and Address of  
Officer or Director  
Requesting Waiver]

Dear Mr./Ms. [Name]:

This letter is being delivered to you in connection with the offering by Syndax Pharmaceuticals, Inc. (the “**Company**”) of [\_\_\_\_\_] shares of common stock, \$[\_\_\_] par value (the “**Common Stock**”), of the Company and the lock-up letter dated [\_\_\_\_], 20[\_\_\_] (the “**Lock-up Letter**”), executed by you in connection with such offering, and your request for a [waiver] [release] dated [\_\_\_\_], 20[\_\_\_], with respect to [\_\_\_\_\_] shares of Common Stock (the “**Shares**”).

[Each of the Representatives listed below] hereby agrees to [waive] [release] the transfer restrictions set forth in the Lock-up Letter, but only with respect to the Shares, effective [\_\_\_\_], 20[\_\_\_]; provided, however, that such [waiver] [release] is conditioned on the Company announcing the impending [waiver] [release] by press release through a major news service at least two business days before effectiveness of such [waiver] [release]. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-up Letter shall remain in full force and effect.

Yours very truly,

**Morgan Stanley & Co. LLC**

By:

Name:

Title:

**Citigroup Global Markets Inc.**

By: \_\_\_\_\_

Name:

Title:

cc: Company

EXHIBIT C

FORM OF PRESS RELEASE

Syndax Pharmaceuticals, Inc.

[Date]

Syndax Pharmaceuticals, Inc. (“[ ]”) announced today that [Morgan Stanley & Co. LLC and Citigroup Global Markets Inc.], the lead book-running managers in the Company’s recent public sale of [ ] shares of common stock, is [waiving] [releasing] a lock-up restriction with respect to shares of the Company’s common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on [ ], 20 [ ], and the shares may be sold on or after such date.

**This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.**

**THIRTEENTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION****OF****SYNDAX PHARMACEUTICALS, INC.**

Syndax Pharmaceuticals, Inc., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

The name of this corporation is Syndax Pharmaceuticals, Inc. This corporation was originally incorporated under the same name, and the original Certificate of Incorporation of this corporation was filed with the Secretary of State of the State of Delaware on October 11, 2005. An Amended and Restated Certificate of Incorporation or Certificate of Amendment to the Certificate of Incorporation of this corporation was filed with the Secretary of State of the State of Delaware on March 29, 2007, November 21, 2008, January 22, 2010, August 2, 2010, December 20, 2011, June 28, 2012, October 9, 2012, November 19, 2012, December 28, 2012, January 18, 2013, March 8, 2013, July 11, 2013, November 18, 2013, June 3, 2014, September 17, 2014, December 17, 2014 and May 28, 2015, all under its present name.

The text of the Twelfth Amended and Restated Certificate of Incorporation, as amended, is hereby amended and restated in its entirety to read as follows:

**ARTICLE I**

The name of this corporation is Syndax Pharmaceuticals, Inc.

**ARTICLE II**

The address of this corporation's registered office in the State of Delaware is 2711 Centerville Road, Suite 400, City of Wilmington, 19808, County of New Castle, Delaware. The name of its registered agent at such address is Corporation Service Company.

**ARTICLE III**

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware.

**ARTICLE IV**

This corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which this corporation is authorized to issue is Fifty-One Million One Hundred Thirty-Eight Thousand Nine Hundred Seventy (51,138,970) shares. Twenty-Six Million (26,000,000) shares shall be Common Stock with a par value of \$0.0001 per share and Twenty-Five Million One Hundred Thirty-Eight Thousand Nine Hundred Seventy (25,138,970) shares shall be Preferred Stock with a par value of \$0.001 per share, Four Million Three Hundred Ninety Thousand Two Hundred Forty-Three (4,390,243) of which shall be designated Series A Preferred Stock ("Series A Preferred Stock"), Three Million Nine Hundred Fifty-One Thousand Two Hundred Nineteen (3,951,219) of which

shall be designated Series A-1 Preferred Stock ("Series A-1 Preferred Stock"), Four Million Two Hundred Twenty-Seven Thousand Six Hundred Forty-Two (4,227,642) of which shall be designated Series B Preferred Stock ("Series B Preferred Stock"), Four Million Nine Hundred Fifty-Six Thousand Seven Hundred Sixty-Four (4,956,764) of which shall be designated Series B-1 Preferred Stock ("Series B-1 Preferred Stock") and Seven Million Six Hundred Thirteen Thousand One Hundred Two (7,613,102) of which shall be designated as Series C-1 Preferred Stock ("Series C-1 Preferred Stock" and, collectively with the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, the "Preferred Stock"). This corporation shall from time to time in accordance with the laws of the State of Delaware increase the authorized amount of its Common Stock if at any time the number of shares of Common Stock remaining unissued and available for issuance upon conversion of the Preferred Stock shall not be sufficient to permit conversion of the Preferred Stock. Subject to the provisions herein, the number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of shares of stock of this corporation representing a majority of the votes represented by all outstanding shares of stock of this corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the Delaware General Corporation Law.

## ARTICLE V

The relative rights, preferences, privileges and restrictions granted to or imposed upon the respective classes and series of the shares of capital stock or the holders thereof are as follows:

### 1. Dividend Provisions.

(a) Series C-1 Preferred Stock. Prior and in preference to any declaration or payment of any dividends to the holders of shares of Series A-1 Preferred Stock, Series A Preferred Stock, Series B-1 Preferred Stock, Series B Preferred Stock, Common Stock, or any other class of capital stock of this corporation, the holders of shares of the Series C-1 Preferred Stock shall be entitled to receive cumulative dividends on each outstanding share of Series C-1 Preferred Stock, whether or not declared by the board of directors of this corporation, on a *pari passu* basis, out of any assets legally available therefor (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock of this corporation), at the rate of eight percent (8%) of the applicable Original Issue Price (as defined herein) per share per annum. Such dividends shall accrue and be cumulative from the date of issuance of the shares of Series C-1 Preferred Stock, whether or not earned or declared by the board of directors of this corporation. In the event that the board of directors of this corporation declares a dividend, the amount of which is insufficient to permit payment of the full aforesaid dividends, such dividends will be paid ratably to each holder in proportion to the dividend amounts to which each holder of Series C-1 Preferred Stock is entitled. Any dividend payment made on shares of Series C-1 Preferred Stock shall first be credited against the dividends accumulated with respect to the earliest dividend period for which dividends have not been paid.

(b) Series B-1 Preferred Stock. Prior and in preference to any declaration or payment of any dividends to the holders of shares of Series A-1 Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Common Stock, or any other class of capital stock of

this corporation (other than dividends for holders of Series C-1 Preferred Stock pursuant to Section 1(a) which shall be paid first), the holders of shares of the Series B-1 Preferred Stock shall be entitled to receive cumulative dividends on each outstanding share of Series B-1 Preferred Stock, whether or not declared by the board of directors of this corporation, on a *pari passu* basis, out of any assets legally available therefor (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock of this corporation), at the rate of eight percent (8%) of the applicable Original Issue Price (as defined herein) per share per annum. Such dividends shall accrue and be cumulative from the date of issuance of the shares of Series B-1 Preferred Stock, whether or not earned or declared by the board of directors of this corporation. In the event that the board of directors of this corporation declares a dividend, the amount of which is insufficient to permit payment of the full aforesaid dividends, such dividends will be paid ratably to each holder in proportion to the dividend amounts to which each holder of Series B-1 Preferred Stock is entitled. Any dividend payment made on shares of Series B-1 Preferred Stock shall first be credited against the dividends accumulated with respect to the earliest dividend period for which dividends have not been paid.

(c) Series A-1 Preferred Stock. Prior and in preference to any declaration or payment of any dividends to the holders of shares of Series A Preferred Stock, Series B Preferred Stock, Common Stock, or any other class of capital stock of this corporation (other than dividends for holders of Series C-1 Preferred Stock and Series B-1 Preferred Stock pursuant to Sections 1(a) and 1(b), respectively, which shall be paid first), the holders of shares of the Series A-1 Preferred Stock shall be entitled to receive cumulative dividends on each outstanding share of Series A-1 Preferred Stock, whether or not declared by the board of directors of this corporation, on a *pari passu* basis, out of any assets legally available therefor (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock of this corporation), at the rate of eight percent (8%) of the applicable Original Issue Price (as defined herein) per share per annum. Such dividends shall accrue and be cumulative from the date of issuance of the shares of Series A-1 Preferred Stock, whether or not earned or declared by the board of directors of this corporation. In the event that the board of directors of this corporation declares a dividend, the amount of which is insufficient to permit payment of the full aforesaid dividends, such dividends will be paid ratably to each holder in proportion to the dividend amounts to which each holder of Series A-1 Preferred Stock is entitled. Any dividend payment made on shares of Series A-1 Preferred Stock shall first be credited against the dividends accumulated with respect to the earliest dividend period for which dividends have not been paid.

(d) This corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of this corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in this Thirteenth Amended and Restated Certificate of Incorporation) the holders of shares of Series A-1 Preferred Stock, Series B-1 Preferred Stock and Series C-1 Preferred Stock (together, the "Prime Preferred Stock") then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Prime Preferred Stock in an amount at least equal to the product of (i) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (ii) the number of shares of Common Stock issuable upon conversion of

a share of the applicable Prime Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend. The “Original Issue Price” of each series of the Preferred Stock shall be Eleven Dollars and One Hundred Ninety-Three Thousandths of a Cent (\$11.193) per share (as adjusted for stock splits, stock dividends, recapitalization and similar events).

## 2. Liquidation Preference.

### (a) Preferred Preference.

(i) In the event of any Liquidating Transaction (as defined below), either voluntarily or involuntarily, the holders of Series C-1 Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of this corporation (or distribution of consideration in connection with a Liquidating Transaction) to the holders of Series A-1 Preferred Stock, Series A Preferred Stock, Series B-1 Preferred Stock, Series B Preferred Stock and Common Stock, on a *pari passu* basis, an amount equal to 1.75 multiplied by the applicable Original Issue Price per share for each share of Series C-1 Preferred Stock then so held, plus a further amount equal to any accrued but unpaid dividends on such shares. All of the preferential amounts to be paid to the holders of the Series C-1 Preferred Stock under this Section 2(a)(i) shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any assets of this corporation to, the holders of the Series A-1 Preferred Stock, Series A Preferred Stock, Series B-1 Preferred Stock, Series B Preferred Stock or Common Stock in connection with such Liquidating Transaction. If, upon such Liquidating Transaction the assets of this corporation are insufficient to provide for the cash payment of the full aforesaid preferential amounts to the holders of the Series C-1 Preferred Stock, such assets as are available shall be distributed ratably among the holders of the Series C-1 Preferred Stock in proportion to the full preferential amount each such holder is otherwise entitled to receive.

(ii) After payment has been made to the holders of the Series C-1 Preferred Stock of the full amounts to which they are entitled as provided in Section 2(a)(i) above, the remaining assets of this corporation available for distribution to the stockholders shall be distributed pro rata among the holders of Series B-1 Preferred Stock, prior and in preference to any distribution of any of the assets or surplus funds of this corporation (or distribution of consideration in connection with a Liquidating Transaction) to the holders of Series A-1 Preferred Stock, Series A Preferred Stock, Series B Preferred Stock and Common Stock, on a *pari passu* basis, in an amount equal to 1.75 multiplied by the applicable Original Issue Price per share for each share of Series B-1 Preferred Stock then so held, plus a further amount equal to any accrued but unpaid dividends on such shares. All of the preferential amounts to be paid to the holders of the Series B-1 Preferred Stock under this Section 2(a)(ii) shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any assets of this corporation to, the holders of the Series A-1 Preferred Stock, Series A Preferred Stock, Series B Preferred Stock or Common Stock in connection with such Liquidating Transaction. If, upon such Liquidating Transaction the assets of this corporation are insufficient to provide for the cash payment of the full aforesaid preferential amounts to the holders of the Series B-1 Preferred Stock, such assets as are available shall be distributed ratably among the holders of the Series B-1 Preferred Stock in proportion to the full preferential amount each such holder is otherwise entitled to receive.

(iii) After payment has been made to the holders of the Series C-1 Preferred Stock and Series B-1 Preferred Stock of the full amounts to which they are entitled as provided in Sections 2(a)(i) and 2(a)(ii) above, respectively, the remaining assets of this corporation available for distribution to the stockholders shall be distributed pro rata among the holders of Series A-1 Preferred Stock, prior and in preference to any distribution of any of the assets or surplus funds of this corporation (or distribution of consideration in connection with a Liquidating Transaction) to the holders of Series A Preferred Stock, Series B Preferred Stock and Common Stock, on a *pari passu* basis, in an amount equal to the applicable Original Issue Price per share for each share of Series A-1 Preferred Stock then so held, plus a further amount equal to any accrued but unpaid dividends on such shares. All of the preferential amounts to be paid to the holders of the Series A-1 Preferred Stock under this Section 2(a)(iii) shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any assets of this corporation to, the holders of the Series A Preferred Stock, Series B Preferred Stock or Common Stock in connection with such Liquidating Transaction. If, upon such Liquidating Transaction the assets of this corporation are insufficient to provide for the cash payment of the full aforesaid preferential amounts to the holders of the Series A-1 Preferred Stock, such assets as are available shall be distributed ratably among the holders of the Series A-1 Preferred Stock in proportion to the full preferential amount each such holder is otherwise entitled to receive.

(iv) After payment has been made to the holders of the Prime Preferred Stock of the full amounts to which they are entitled as provided in Section 2(a)(i), Section 2(a)(ii) and Section 2(a)(iii) above, the remaining assets of this corporation available for distribution to the stockholders shall be distributed pro rata among the holders of Series B Preferred Stock, prior and in preference to any distribution of any of the assets or surplus funds of this corporation (or distribution of consideration in connection with a Liquidating Transaction) to the holders of Series A Preferred Stock and Common Stock, in an amount equal to seventy-five percent (75%) of the applicable Original Issue Price per share for each share of Series B Preferred Stock then so held, plus a further amount equal to any dividends declared but unpaid on such shares. All of the preferential amounts to be paid to the holders of the Series B Preferred Stock under this Section 2(a)(iv) shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any assets of this corporation to, the holders of the Series A Preferred Stock and Common Stock in connection with such Liquidating Transaction. If, upon such Liquidating Transaction the assets of this corporation are insufficient to provide for the cash payment of the full aforesaid preferential amounts to the holders of the Series B Preferred Stock, such assets as are available shall be distributed ratably among the holders of the Series B Preferred Stock in proportion to the full preferential amount each such holder is otherwise entitled to receive. For purposes of this Section 2(a)(iv), consideration placed in escrow or retained as a holdback to be available for satisfaction of indemnification or similar obligations in connection with such Liquidating Transaction shall be deemed to be Initial Consideration.

(v) After payment has been made to the holders of the Preferred Stock of the full amounts to which they are entitled as provided in Sections 2(a)(i), 2(a)(ii), 2(a)(iii) and 2(a)(iv) above, the remaining assets of this corporation available for distribution to the stockholders shall be distributed pro rata among the holders of Common Stock, Prime Preferred Stock and Series A Preferred Stock (on an as-converted to Common Stock basis).

(vi) If any portion of the consideration payable to the stockholders of this corporation is placed into escrow and/or is payable to the stockholders of this corporation subject to contingencies, the agreement governing such transaction shall provide that (x) the portion of such consideration that is not placed in escrow and not subject to any contingencies (the “Initial Consideration”) shall be allocated among the holders of capital stock of this corporation in accordance with the liquidation preference order as set forth in this Section 2 as if the Initial Consideration were the only consideration payable in connection with such Liquidating Transaction and (y) any additional consideration which becomes payable to the stockholders of this corporation upon release from escrow or satisfaction of contingencies shall be allocated among the holders of capital stock of this corporation in accordance with the liquidation preference order as set forth in this Section 2 after taking into account the previous payment of the Initial Consideration as part of the same transaction.

For purposes of this Section 2, a “Liquidating Transaction” of this corporation shall mean a (i) liquidation, dissolution or winding-up of this corporation, (ii) sale, conveyance, license or other disposition of all or substantially all of the assets, property or business of this corporation, or, (iii) merger or consolidation with or into any other corporation if, as a result of such merger or consolidation, the holders of the Common Stock and Preferred Stock prior to such merger or consolidation do not hold at least fifty percent (50%) of the combined voting power of the surviving corporation.

(b) Notice of Liquidating Transaction. This corporation shall give each holder of record of Preferred Stock written notice of any impending Liquidating Transaction not later than ten (10) days prior to the stockholders’ meeting called to approve such Liquidating Transaction, or ten (10) days prior to the closing of such Liquidating Transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such Liquidating Transaction. The first of such notices shall describe the material terms and conditions of the impending Liquidating Transaction and the provisions of this Section 2, and this corporation shall thereafter give such holders prompt notice of any material changes. Unless such notice requirements are waived, the Liquidating Transaction shall not take place sooner than ten (10) days after this corporation has given the first notice provided for herein or sooner than ten (10) days after this corporation has given notice of any material changes provided for herein. Notwithstanding the other provisions of this Thirteenth Amended and Restated Certificate of Incorporation, all notice periods or requirements in this Certificate of Incorporation applicable to the holders of Preferred Stock may be shortened or waived, either before or after the action for which notice is required, upon the written consent of the holders of at least sixty percent (60%) of the voting power of the outstanding shares of Preferred Stock that are entitled to such notice rights.

(c) Consent for Certain Repurchases. Each holder of an outstanding share of Preferred Stock shall be deemed to have consented, for purposes of Section 160 of the General Corporation Law of the State of Delaware (and, if applicable, Sections 502, 503 and 506 of the California Corporations Code), to distributions made by this corporation in connection with the repurchase of shares of Common Stock issued to or held by employees or consultants upon



termination of their employment or services pursuant to agreements providing for the right of said repurchase between this corporation and such persons but only to the extent each distribution equals the original purchase price of such shares being repurchased.

### 3. Voting Rights.

(a) The Prime Preferred Stock, voting together as a separate class, shall be entitled to elect four (4) members of the board of directors (the "Prime Preferred Directors"); the Series C-1 Preferred Stock, voting as a separate class, shall be entitled to elect one (1) member of the board of directors (the "Series C-1 Director") and together with the Prime Preferred Directors, the "Preferred Directors"; the Common Stock, voting as a separate class, shall be entitled to elect two (2) members of the board of directors (the "Common Directors"); the holders of a majority of the Common Stock and the Preferred Stock, voting as a single class on an as converted basis, shall be entitled to elect two (2) members (the "Independent Directors"); and the holders of at least sixty percent (60%) of the Common Stock and the Preferred Stock, voting as a single class on an as converted basis, shall be entitled to elect any additional directors.

(b) On all other matters, except as specifically provided herein or as otherwise required by law, holders of the Preferred Stock shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled to vote, together with the holders of Common Stock, with respect to any matters upon which holders of Common Stock have the right to vote. Except as otherwise provided herein, the holder of each share of Common Stock issued and outstanding shall have one vote and the holder of each share of Preferred Stock shall be entitled to the number of votes equal to the largest number of shares of Common Stock into which such share of Preferred Stock could be converted at the record date for determination of the stockholders entitled to vote on such matters, or, if no such record date is established, at the date such vote is taken or any written consent of stockholders is solicited, such votes to be counted together with all other shares of stock of this corporation having general voting power and not separately as a class. For purposes of this Section 3, the "voting power of the shares of Preferred Stock" shall mean the number of votes equal to the number of shares of Common Stock into which such shares of Preferred Stock could be converted at the dates provided in the preceding sentence. Fractional votes by the holders of Preferred Stock shall not, however, be permitted and any fractional voting rights shall (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted) be rounded to the nearest whole number.

### 4. Conversion. The holders of the Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert. Each share of Preferred Stock shall be convertible into shares of Common Stock without the payment of any additional consideration by the holder thereof and, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of this corporation or any transfer agent for the Preferred Stock and shall be convertible into the number of fully paid and nonassessable shares of Common Stock which results from dividing the per share Conversion Value (as hereinafter defined) of each series of Preferred Stock at the time of conversion by the Conversion Price (as hereinafter defined) per share in effect for such series. The initial per share Conversion Price of the Series A Preferred

Stock shall be Fifty-Five Dollars and Nine Hundred Sixty-Five Thousandths of a Cent (\$55.965). The per share Conversion Value of the Series A Preferred Stock shall be Eleven Dollars and One Hundred Ninety-Three Thousandths of a Cent (\$11.193) (as adjusted for stock splits, stock dividends, recapitalization and similar events relating to the Series A Preferred Stock). The initial per share Conversion Price of the Series A-1 Preferred Stock shall be Eleven Dollars and One Hundred Ninety-Three Thousandths of a Cent (\$11.193). The per share Conversion Value of the Series A-1 Preferred Stock shall be Eleven Dollars and One Hundred Ninety-Three Thousandths of a Cent (\$11.193) (as adjusted for stock splits, stock dividends, recapitalization and similar events relating to the Series A-1 Preferred Stock). The initial per share Conversion Price of the Series B Preferred Stock shall be Eleven Dollars and One Hundred Ninety-Three Thousandths of a Cent (\$11.193). The per share Conversion Value of the Series B Preferred Stock shall be Eleven Dollars and One Hundred Ninety-Three Thousandths of a Cent (\$11.193) (as adjusted for stock splits, stock dividends, recapitalization and similar events relating to the Series B Preferred Stock). The initial per share Conversion Price of the Series B-1 Preferred Stock shall be Eleven Dollars and One Hundred Ninety-Three Thousandths of a Cent (\$11.193). The per share Conversion Value of the Series B-1 Preferred Stock shall be Eleven Dollars and One Hundred Ninety-Three Thousandths of a Cent (\$11.193) (as adjusted for stock splits, stock dividends, recapitalization and similar events relating to the Series B-1 Preferred Stock). The initial per share Conversion Price of the Series C-1 Preferred Stock shall be Eleven Dollars and One Hundred Ninety-Three Thousandths of a Cent (\$11.193). The per share Conversion Value of the Series C-1 Preferred Stock shall be Eleven Dollars and One Hundred Ninety-Three Thousandths of a Cent (\$11.193) (as adjusted for stock splits, stock dividends, recapitalization and similar events relating to the Series C-1 Preferred Stock). The initial Conversion Price of each series of Preferred Stock shall be subject to adjustment from time to time as provided below, subject to the terms of Section 4(e) hereof. The number of shares of Common Stock into which a share of Preferred Stock is convertible is hereinafter referred to as the "Conversion Rate" of such series.

(b) Automatic Conversion.

(i) Each share of Preferred Stock shall automatically be converted into share(s) of Common Stock at its then effective Conversion Rate of such series of Preferred Stock immediately upon the earlier of (A) the closing of the sale of this corporation's Common Stock in an underwritten initial public offering registered under the Securities Act of 1933, as amended ("Securities Act") on the New York Stock Exchange, The NASDAQ Stock Market or another nationally recognized securities exchange, with aggregate offering proceeds to this corporation (before deduction for underwriters' discounts and expenses relating to the issuance) of at least Thirty Million Dollars (\$30,000,000) and a public offering price per share equal to at least \$11.193 (as adjusted for stock splits, stock dividends, recapitalization and similar events), or (B) subject to the protective provisions of the Series C-1 Preferred Stock set forth in Section 7 or other protective provisions set forth herein, at the election of the holders of at least sixty percent (60%) of the outstanding shares of the Prime Preferred Stock voting together as a separate class on an as-converted basis.

(ii) Subject to the protective provisions of the Series C-1 Preferred Stock set forth in Section 7 or other protective provisions set forth herein, each share of Prime Preferred Stock shall automatically be converted into share(s) of Common Stock at its then

effective Conversion Rate of such series of Prime Preferred Stock immediately upon the election of the holders of a majority of the outstanding shares of the Prime Preferred Stock voting as a separate class on an as-converted basis. Each share of Series A-1 Preferred Stock shall automatically be converted into share(s) of Common Stock at its then effective Conversion Rate of Series A-1 Preferred Stock immediately upon the election of the holders of a majority of the outstanding shares of the Series A-1 Preferred Stock. Each share of Series B-1 Preferred Stock shall automatically be converted into share(s) of Common Stock at its then effective Conversion Rate of Series B-1 Preferred Stock immediately upon the election of the holders of a majority of the outstanding shares of the Series B-1 Preferred Stock. Subject to the protective provisions of the Series C-1 Preferred Stock set forth in Section 7, each share of Series C-1 Preferred Stock shall automatically be converted into share(s) of Common Stock at its then effective Conversion Rate of Series C-1 Preferred Stock immediately upon the election of the holders of at least a majority of the outstanding shares of the Series C-1 Preferred Stock.

(c) Mechanics of Conversion. Before any holder of Preferred Stock shall be entitled to convert the same into shares of Common Stock, the holder shall surrender the certificate(s) therefor, duly endorsed, at the office of this corporation or of any transfer agent for the Preferred Stock and shall give written notice to this corporation at such office that the holder elects to convert the same (except that no such written notice of election to convert shall be necessary in the event of an automatic conversion pursuant to Section 4(b) hereof). This corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Stock certificate(s) for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Preferred Stock to be converted (except that in the case of an automatic conversion pursuant to Section 4(b)(i)(A) hereof such conversion shall be deemed to have been made immediately prior to the closing of the offering referred to in Section 4(b)(i)(A), or in the case of an automatic conversion pursuant to Section 4(b)(i)(B) or Section 4(b)(ii) hereof, immediately prior to the close of business on the date of the election referred to in Section 4(b)(i)(B) or Section 4(b)(ii), as applicable, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date. If the conversion is in connection with an underwritten public offering of securities registered pursuant to the Securities Act, the conversion may, at the option of any holder tendering such Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event any persons entitled to receive Common Stock upon conversion of such Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities.

(d) Fractional Shares. In lieu of any fractional shares to which the holder of Preferred Stock would otherwise be entitled, this corporation shall pay cash equal to such fraction multiplied by the fair market value of one share of such series of Preferred Stock as determined by the board of directors of this corporation. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock of each holder at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(e) Adjustment of Conversion Price. The Conversion Price of the Series A Preferred Stock ("Series A Conversion Price"), the Conversion Price of the Series A-1 Preferred Stock ("Series A-1 Conversion Price"), the Conversion Price of the Series B Preferred Stock ("Series B Conversion Price"), the Conversion Price of the Series B-1 Preferred Stock ("Series B-1 Conversion Price") and the Conversion Price of the Series C-1 Preferred Stock ("Series C-1 Conversion Price") and, collectively with the Series A Conversion Price, Series A-1 Conversion Price, Series B Conversion Price and Series B-1 Conversion Price, each a "Preferred Stock Conversion Price") shall each be subject to independent adjustment from time to time as follows:

(i) Definitions. For purposes of this Section 4(e), the following definitions shall apply:

(A) "Excluded Securities" shall mean:

(1) all shares of Common Stock issued or deemed issued to directors or employees of, or consultants or advisors to, this corporation, pursuant to any stock option plan or equity incentive plan of this corporation approved by a majority of the board of directors of this corporation;

(2) all shares of Common Stock issued or deemed issued in connection with research and development partnerships, licensing, corporate partnering, collaborative arrangements or similar transactions approved by the holders of at least sixty percent (60%) of the outstanding Prime Preferred Stock;

(3) all securities issued pursuant to dividends or distributions on the Preferred Stock;

(4) securities to financial institutions or lessors issued in connection with commercial credit arrangements, equipment financings, commercial property lease transactions, or similar transactions approved by a majority of the board of directors of this corporation;

(5) capital stock issued in connection with bona fide acquisitions, mergers, consolidations or similar business combinations, provided that such issuance has been approved by the holders of at least sixty percent (60%) of the outstanding Preferred Stock;

(6) Common Stock issuable upon conversion of the Preferred Stock;

(7) all securities issued or issuable (including any convertible debt) pursuant to the Note Purchase Agreement dated on or around September 18, 2014, among the Company and certain investors, as the same may be amended from time to time pursuant to its terms;

(8) any issuance of Common Stock or Purchase Rights that the holders of sixty-six (66%) of the outstanding Preferred Stock elect to be treated as Excluded Securities;

(9) [RESERVED];

(10) shares of Common Stock or Convertible Securities issued upon the exercise of Options or shares of Common Stock issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security; and

(11) all securities issued pursuant to a firm commitment, underwritten initial public offering of the capital stock of this corporation registered under the Securities Act.

(B) “Options” means rights, options or warrants to subscribe for, purchase or otherwise acquire either Common Stock or Convertible Securities.

(C) “Convertible Securities” means securities by their terms directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(D) “Purchase Rights” means Options and Convertible Securities.

(E) “Dilutive Issuance” means an issuance of Purchase Rights or Common Stock, in each case excluding any issuance of Excluded Securities, without consideration or for a consideration per share less than the applicable Preferred Stock Conversion Price. “Dilutive Issuance” excludes any stock dividend, subdivision or split-up, stock combination, dividend or Transaction described in Sections 4(e)(iv) through (vii) below.

(ii) Adjustment of Conversion Price for Dilutive Issuances.

(A) If this corporation issues or is deemed to issue any Common Stock in a Dilutive Issuance after the initial date shares of Series C-1 Preferred Stock are issued, the Series A-1 Conversion Price, Series B-1 Conversion Price, the Series C-1 Conversion Price and Series B Conversion Price then in effect shall be adjusted to a price determined by multiplying the applicable Preferred Stock Conversion Price in effect immediately prior to the Dilutive Issuance by a fraction:

(1) the numerator of which shall be (x) the number of shares of Common Stock outstanding and issuable on exercise of all outstanding Options and Convertible Securities immediately prior to the Dilutive Issuance, plus (y) the number of shares of Common Stock that the aggregate consideration, if any, received by this corporation in connection with the Dilutive Issuance would purchase at such Preferred Stock Conversion Price, and

(2) the denominator of which shall be (x) the number of shares of Common Stock outstanding and issuable on exercise of all outstanding Options and Convertible Securities immediately prior to the Dilutive Issuance, plus (y) the number of shares of Common Stock issued or deemed issued in the Dilutive Issuance.

(B) For the avoidance of doubt, the Series A Conversion Price shall not be automatically adjusted pursuant to this Section 4(e)(ii) in connection with a Dilutive Issuance.

(iii) For purposes of any adjustment of the Preferred Stock Conversion Price pursuant to clause (ii) above, the following provisions shall apply:

(A) In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor after deducting any discounts or commissions paid or incurred by this corporation in connection with the issuance and sale thereof.

(B) In the case of the issuance of Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof as determined by the board of directors of this corporation, in accordance with generally accepted accounting treatment; provided, however, that if at the time of such determination, this corporation's Common Stock is traded in the over-the-counter market or on a national or regional securities exchange, such fair market value as determined by the board of directors of this corporation shall not exceed the aggregate "Current Market Price" (as defined below) of the shares of Common Stock being issued.

(C) In the case of the issuance of Purchase Rights in a Dilutive Issuance:

(1) the aggregate maximum number of shares of Common Stock deliverable upon exercise of Options shall be deemed to have been issued at the time such Options were issued and for a consideration equal to the consideration (determined in the manner provided in (iii) (A) and (B) above), if any, received by this corporation upon the issuance of such Options plus the minimum purchase price provided in such Options covered thereby;

(2) the aggregate maximum number of shares of Common Stock deliverable upon conversion or exercise of or exchange for any Convertible Securities shall be deemed to have been issued at the time such Convertible Securities were issued and for a consideration equal to the consideration received by this corporation for any such Convertible Securities (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any; to be received by this corporation upon the conversion or exchange of such Convertible Securities (determined in the manner provided in (iii) (A) and (B) above);

(3) on any change in the number of shares of Common Stock deliverable upon exercise of any such Purchase Rights or on any change in the minimum purchase price of such Purchase Rights, the Preferred Stock Conversion Price shall forthwith be readjusted to such Preferred Stock Conversion Price as would have been obtained had the adjustment been made upon (x) the issuance of such Purchase Rights not exercised, converted or exchanged prior to such change, as the case may be, been made upon the basis of such change or (y) the issuance of options or rights related to such securities not converted or exchanged prior to such change, as the case may be, been made upon the basis of such change; and

(4) on the expiration of any Purchase Rights, the Preferred Stock Conversion Price shall forthwith be readjusted to such Preferred Stock Conversion Price as would have been obtained had the adjustment made upon the issuance of such Purchase Right been made upon the basis of the issuance of only the number of shares of Common Stock actually issued upon the exercise of such Purchase Rights.

(iv) If at any time after the date on which this Thirteenth Amended and Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware (the "Filing Date") the number of shares of Common Stock then outstanding is increased by a stock dividend payable in shares of Common Stock or by a subdivision or split-up of shares of Common Stock, then, on the date such payment is made or such change is effective, the applicable Conversion Price shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of any shares of such Preferred Stock shall be increased in proportion to such increase of outstanding shares.

(v) If at any time after the Filing Date the number of shares of Common Stock then outstanding is decreased by a combination of the outstanding shares of Common Stock then, on the effective date of such combination, the applicable Conversion Price shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of any shares of Preferred Stock shall be decreased in proportion to such decrease in outstanding shares.

(vi) In case this corporation shall declare a cash dividend upon its Common Stock payable otherwise than out of retained earnings or shall distribute to holders of its Common Stock shares of its capital stock (other than Common Stock), stock or other securities of other persons, evidences of indebtedness issued by this corporation or other persons, assets (excluding cash dividends) or options or rights (excluding Purchase Rights), then, in each such case, the holders of shares of Preferred Stock shall, concurrent with the distribution to holders of Common Stock, receive a like distribution based upon the number of shares of Common Stock into which each series of Preferred Stock is convertible.

(vii) In case, at any time after the Filing Date, of any capital reorganization, or any reclassification of the stock of this corporation (other than as a result of a stock dividend or subdivision, split-up or combination of shares provided for under Section 4(e)(iv) or (y) above), the consolidation or merger of this corporation with or into another person, or of the sale or other disposition of all or substantially all the properties and assets of this corporation (other than a Liquidating Transaction, which shall be governed by Section 2), ("Transaction"), the shares of Preferred Stock shall, after such Transaction, be convertible into the kind and number of shares of stock or other securities or property of this corporation or otherwise to which such holder would have been entitled if immediately prior to such Transaction the holder had converted the holder's shares of Preferred Stock into Common Stock. The provisions of this clause (vii) shall similarly apply to successive Transactions.

(viii) All calculations under this Section 4 shall be made to the nearest cent or to the nearest 1/100 of a share, as the case may be.

(ix) For the purpose of any computation pursuant to this Section 4(e), the “Current Market Price” at any date of one share of Common Stock, shall be deemed to be the average of the highest reported bid and the lowest reported offer prices on the preceding business day as reported by Nasdaq (or equivalent recognized source of quotations); provided, however, that if the Common Stock is not traded in such manner that the quotations referred to in this clause (ix) are available for the period required hereunder, Current Market Price shall be determined in good faith by the board of directors of this corporation.

(f) Minimal Adjustments. No adjustment in the Conversion Price need be made if such adjustment would result in a change in the Conversion Price of less than \$0.01. Any adjustment of less than \$0.01 which is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of \$0.01 or more in the Conversion Price.

(g) [RESERVED].

(h) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Rate pursuant to this Section 4, this corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which adjustment or readjustment is based. This corporation shall, upon request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Rate at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversions of such holder’s shares of Preferred Stock.

(i) Notices of Record Date. In the event of any taking by this corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property or to receive any other right, this corporation shall mail to each holder of Preferred Stock at least twenty (20) days prior to such record date, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution or right, and the amount and character of such dividend, distribution or right.

(j) Reservation of Stock Issuable Upon Conversion. This corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of the shares of Preferred Stock such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Preferred Stock, this corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(k) Notices. Any notice required by the provisions of this Section 4 to be given to the holder of shares of Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at such holder’s address appearing on the books of this corporation.



5. Special Mandatory Conversions.

(a) Trigger Event. Except to the extent waived by the holders of a majority of the outstanding Prime Preferred Stock:

(i) Equity Securities.

(A) [RESERVED].

(B) In the event that any holder of shares of Preferred Stock (other than holders of Series C-1 Preferred Stock, for whom this Section 5 does not apply) does not participate in any of the Fourth Equity Closing or Fifth Equity Closing (each as defined in that certain Series B-1 Preferred Stock Purchase Agreement by and among this corporation and the Investors (as defined therein), dated as of March 8, 2013, as amended (the "2013 Purchase Agreement")), subject to the terms and conditions of such closing, including without limitation the satisfaction or waiver of applicable closing conditions, of the Qualified Financing by purchasing such holder's Pro Rata Share (as defined in the 2013 Purchase Agreement) at such closing, then, automatically, and without any further action on the part of such holder, and effective upon, subject to, and concurrently with, the consummation of such closing, (1) each share of Series A-1 Preferred Stock held by such holder immediately prior thereto shall be converted into one share of Series A Preferred Stock, (2) each share of Series B-1 Preferred Stock held by such holder immediately prior thereto shall be converted into one share of Series B Preferred Stock, and (3) the outstanding principal balance and all unpaid accrued interest, net of any required withholding taxes, of all Debt, if any, held by such holder shall convert in whole into shares of Series B Preferred Stock at a conversion price equal to the price per share paid by the participants in the Qualified Financing on the same terms and conditions as given to the participants in the Qualified Financing. Notwithstanding the foregoing, Section 5(a)(i)(B) shall not apply to: (X) GE Capital Equity Investments, Inc. or its Affiliates with respect to those shares of Series B-1 Preferred Stock issued to it or them pursuant to that certain Exchange Agreement by and between GE Capital Equity Investments, Inc. and this corporation on or about the date of this corporation's Sixth Amended and Restated Certificate of Incorporation; or (Y) Eddingpharm International Company Limited, a British Virgin Islands company ("Eddingpharm"), or its Affiliates with respect to those shares of Series B-1 Preferred Stock issued in connection with that certain Series B-1 Preferred Stock Purchase Agreement by and between this corporation and Eddingpharm, dated as of April 18, 2013. This Thirteenth Amended and Restated Certificate of Incorporation shall not be amended such that subsection (X) or (Y) above is modified without the written consent of GE Capital Equity Investments, Inc. in the case of subsection (X) and Eddingpharm in the case of subsection (Y).

(C) The conversions of Preferred Stock and Debt and the issuances of equity securities contemplated by this Section 5(a)(i) are referred to as "Special Mandatory Conversions." No fractional shares shall be issued upon a Special Mandatory Conversion. In the case of the Special Mandatory Conversion of Debt, this corporation shall pay to the holder an amount in cash equal to the product obtained by multiplying the applicable conversion price set forth in the applicable Debt by the fraction of a share not issued upon such conversion.

(ii) Affiliate Aggregation. For purposes of determining (A) the number of shares of Preferred Stock and Preferred Stock into which Debt is convertible by a holder thereof, (B) such holder's Pro Rata Share and (C) the number of Offered Securities such holder has purchased in a Qualified Financing, all shares of Preferred Stock and shares of Preferred Stock into which Debt is convertible held by Affiliates of such holder shall be aggregated with such holder's shares and all Offered Securities purchased by Affiliates of such holder shall be aggregated with the Offered Securities purchased by such holder (provided that no shares or securities shall be attributed to more than one entity or person within any such group of affiliated entities or persons).

(b) Procedural Requirements.

(i) Upon a Special Mandatory Conversion, each holder of shares of Preferred Stock or Debt converted pursuant to Section 5(a) shall be sent written notice of such Special Mandatory Conversion. Upon receipt of such notice, each holder of such securities shall surrender his, her or its certificate(s) for all such shares of applicable Preferred Stock and Debt ("Securities Documentation") (or, if such holder alleges that such Securities Documentation has been lost, stolen or destroyed, an affidavit certifying to its loss and agreement reasonably acceptable to this corporation to indemnify this corporation against any claim that may be made against this corporation on account of the alleged loss, theft or destruction of such Securities Documentation) to this corporation at the place designated in such notice. If so required by this corporation, Securities Documentation surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to this corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the securities converted pursuant to Section 5(a), including the rights, if any, to receive notices and vote, will terminate at the time of the Special Mandatory Conversion (notwithstanding the failure of the holder or holders thereof to surrender the Securities Documentation for such shares of Preferred Stock or Debt at or prior to such time), except only the rights of the holders thereof, upon surrender of their certificate or certificates therefor (or lost certificate affidavit and agreement), to receive the items provided for in Section 5(b)(ii).

(ii) As soon as practicable after the Special Mandatory Conversion and the surrender of the certificate(s) (or lost certificate affidavit and agreement) for applicable Preferred Stock and Debt so converted, this corporation shall issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Preferred Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Section 5(a)(i)(C) in lieu of any fraction of a share of Preferred Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled

and may not be reissued as shares of such series, and this corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

(c) Definitions. For purposes of this Section 5, the following definitions shall apply:

(i) “Affiliate” means, with respect to any holder of shares of Preferred Stock or Debt, any person, entity or firm which, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such holder, including, without limitation, any entity of which the holder is a partner, subsidiary, affiliate of parent, general partner, managing member, officer or director or employee of such Person or any venture capital or other investment fund now or hereafter existing that is controlled by or under common control with one or more general partners or managing members of, or shares the same management company or investment advisor (or sub-advisor) with, such holder.

(ii) “Debt” means convertible promissory notes issued by this corporation other than those certain promissory notes issued by this corporation on March 1, 2013 (A) to DP VIII Associates, L.P. in the principal amount of \$165.72; (B) to Domain Partners VIII, L.P. in the principal amount of \$22,334.28; (C) to MPM BioVentures IV-QP, L.P. in the principal amount of \$18,744.82; (D) to MPM BioVentures IV GmbH & Co. Beteiligungs KG in the principal amount of \$722.16; (E) to MPM Asset Management Investors BV4 LLC in the principal amount of \$533.02; and (F) to MPM BioVentures IV Strategic Fund, L.P. in the principal amount of \$2,500.00 (such excepted promissory notes are collectively referred to herein as the “March 1, 2013 Notes”).

(iii) “Offered Securities” means the Series B-1 Preferred Stock set aside by the board of directors of this corporation for purchase by holders of outstanding shares of Preferred Stock in connection with a Qualified Financing, and offered to such holders.

(iv) “Qualified Financing” means each of the closings of the Series B-1 Preferred Stock contemplated by the 2013 Purchase Agreement.

6. Prime Preferred Stock Protective Provisions. So long as at least Eight Thousand One Hundred Thirty (8,130) shares of Prime Preferred Stock are outstanding, this corporation shall not (by merger, reclassification or otherwise), without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least sixty percent (60%) of the then outstanding shares of Prime Preferred Stock voting as a single class:

- (a) amend the Certificate of Incorporation or Bylaws to alter or change the rights, preferences or privileges of the Preferred Stock;
- (b) increase or decrease the aggregate number of authorized shares of any class of capital stock of this corporation;
- (c) increase the number of shares reserved under any stock option plan of this corporation;

(d) create or effect a creation (by reclassification or otherwise) of any new class or series of shares of stock of this corporation;

(e) effect any (i) Liquidating Transaction or (ii) an agreement for the sale of capital stock such that the stockholders immediately prior to such sale will possess less than fifty percent (50%) of the voting power immediately after such sale;

(f) declare or pay dividends on any capital stock (except as provided for in this Thirteenth Amended and Restated Certificate of Incorporation);

(g) increase or decrease the number of directors of this corporation;

(h) repurchase or redeem any shares of capital stock except in connection with the repurchase of shares of Common Stock issued to or held by employees or consultants upon termination of their employment or services pursuant to agreements providing for the right of said repurchase between this corporation and such persons but only to the extent each repurchase equals the original purchase price of such shares being repurchased; or

(i) do any act or thing which would result in taxation of the holders of shares of the Preferred Stock under Section 305 of the Internal Revenue Code of 1986, as amended (or any comparable provision of the Internal Revenue Code as hereafter from time to time amended).

7. Series C-1 Preferred Stock Protective Provisions. So long as at least five hundred thirty-five thousand one hundred twenty-two (535,122) shares of Series C-1 Preferred Stock are outstanding, this corporation shall not (by merger, reclassification or otherwise), without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series C-1 Preferred Stock voting as a single class:

(a) create, or authorize the creation of, or issue or obligate itself to issue shares of, any additional class or series of capital stock that are senior to the Series C-1 Preferred Stock with respect to any right, preference or privilege, including but not limited to the distribution of assets on the liquidation, dissolution or winding up of this corporation, the payment of dividends and rights of redemption, voting or other rights and privileges,

(b) reclassify, alter or amend any existing security of this corporation, if such reclassification, alteration or amendment would render such other security senior to or *pari passu* with the Series C-1 Preferred Stock in respect of any right, preference or privilege;

(c) take any action with respect to this Certificate of Incorporation or this corporation's Bylaws that would adversely affect the powers, preferences, rights or privileges of the Series C-1 Preferred Stock;

(d) take any action which results in the issuance, creation or execution of a debt instrument or instruments or the incurrence by this corporation of debt for borrowed money in excess of US\$1,000,000; or

(e) take any action that would result in the conversion or reclassification of Series C-1 Preferred Stock into Common Stock or another class or series of securities, unless (i)

such conversion or reclassification is effective immediately prior to the closing of a firm commitment, underwritten initial public offering of the capital stock of this corporation registered under the Securities Act and (ii) all other shares of Preferred Stock are being similarly converted to Common Stock at the applicable Conversion Rate.

8. Series B-1 Preferred Stock Protective Provisions. So long as at least Eight Thousand One Hundred Thirty (8,130) shares of Series B-1 Preferred Stock are outstanding, this corporation shall not (by merger, reclassification or otherwise), without first obtaining the approval (by vote or written consent, as provided by law) of the holders of more than fifty percent (50%) of the then outstanding shares of Series B-1 Preferred Stock voting as a single class:

(a) create, or authorize the creation of, or issue or obligate itself to issue shares of, any additional class or series of capital stock which is senior to the Series B-1 Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of this corporation, the payment of dividends and rights of redemption, voting or other rights and privileges,

(b) reclassify, alter or amend any existing security of this corporation, if such reclassification, alteration or amendment would render such other security senior to or *pari passu* with the Series B-1 Preferred Stock in respect of any right, preference or privilege;

(c) purchase or redeem any shares of capital stock of this corporation without first offering to purchase or redeem and, if applicable, purchasing and/or redeeming, the Series B-1 Preferred Stock, except as unanimously approved by the board of directors;

(d) take any action that would adversely affect the powers, preferences, rights or privileges of the Series B-1 Preferred Stock; or

(e) effect any Liquidating Transaction in which the proceeds per share of Series B-1 Preferred Stock would be less than the Original Issue Price.

## ARTICLE VI

This corporation is to have perpetual existence.

## ARTICLE VII

1. Limitation of Liability. To the fullest extent permitted by the General Corporation Law of the State of Delaware as the same exists or as may hereafter be amended, a director of this corporation shall not be personally liable to this corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

2. Indemnification. This corporation may indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that such person or his or her testator or intestate is or was a director, officer or employee of this corporation, or any predecessor of this corporation; or serves or served at any other enterprise as a director, officer or employee at the request of this corporation or any predecessor to this corporation.

3. Amendments. Neither any amendment nor repeal of this Article VII, nor the adoption of any provision of this corporation's Thirteenth Amended and Restated Certificate of Incorporation inconsistent with this Article VII, shall eliminate or reduce the effect of this Article VII, in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Article VII would accrue or arise, prior to such amendment repeal, or adoption of an inconsistent provision.

## ARTICLE VIII

In the event that shares of Preferred Stock shall be converted pursuant to the terms hereof, the shares so converted shall not revert to the status of authorized but unissued shares, but instead shall be canceled and shall not be re-issuable by this corporation.

## ARTICLE IX

Holders of stock of any class or series of this corporation shall not be entitled to cumulate their votes for the election of directors or any other matter submitted to a vote of the stockholders.

## ARTICLE X

Elections of directors need not be by written ballot unless the Bylaws of this corporation so provide.

## ARTICLE XI

This corporation hereby renounces, to the fullest extent permitted by law, any interest or expectancy of this corporation in, or in being offered, an opportunity to participate in, any Preferred Stock Business Opportunity. A "Preferred Stock Business Opportunity" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director of this corporation who is not an employee of this corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of this corporation or any of its subsidiaries (collectively,

“Covered Persons”), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person solely in such Covered Person’s capacity as a director of this corporation. To the fullest extent permitted by law, this corporation hereby waives any claim against a Covered Person, and agrees to indemnify all Covered Persons against any claim, that is based on fiduciary duties, the corporate opportunity doctrine or any other legal theory which could limit any Covered Person from pursuing or engaging in any Preferred Stock Business Opportunity.

## **ARTICLE XII**

In furtherance and not in limitation of the powers conferred by statute, the board of directors of this corporation is expressly authorized to make, alter, amend or repeal the Bylaws of this corporation.

## **ARTICLE XIII**

The foregoing amendment and restatement of the Certificate of Incorporation has been duly approved by the board of directors of this corporation.

The foregoing Thirteenth Amended and Restated Certificate of Incorporation has been duly adopted by this corporation's board of directors and stockholders in accordance with applicable provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware. I further declare under penalty of perjury under the laws of the State of Delaware that the matters set forth in this certificate are true, correct and of my own knowledge.

Dated: August 20, 2015

/s/ Briggs Morrison  
Briggs Morrison, M.D.  
Chief Executive Officer



## SYNDAX PHARMACEUTICALS, INC.

## BY-LAWS

ARTICLE I - STOCKHOLDERSSection 1: Annual Meeting.

An annual meeting of the stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, on such date, and at such time as the Board of Directors shall each year fix, which date shall be within thirteen (13) months of the last annual meeting of stockholders or, if no such meeting has been held, the date of incorporation.

Section 2: Special Meetings.

Special meetings of the stockholders, for any purpose or purposes prescribed in the notice of the meeting, may be called by the Board of Directors or the chief executive officer and shall be held at such place, on such date, and at such time as they or he or she shall fix.

Section 3: Notice of Meetings.

Notice of the place, if any, date, and time of all meetings of the stockholders and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given, not less than ten (10) nor more than sixty (60) days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting, except as otherwise provided herein or required by law (meaning, here and hereinafter,

as required from time to time by the Delaware General Corporation Law or the Certificate of Incorporation of the Corporation).

When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than thirty (30) days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, notice of the place, if any, date, and time of the adjourned meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, shall be given in conformity herewith. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

Section 4: Quorum.

At any meeting of the stockholders, the holders of a majority of all of the shares of the stock entitled to vote at the meeting, present in person or by proxy, shall constitute a quorum for all purposes, unless or except to the extent that the presence of a larger number may be required by law. Where a separate vote by a class or classes or series is required, a majority of the shares of such class or classes or series present in person or represented by proxy shall constitute a quorum entitled to take action with respect to that vote on that matter.

If a quorum shall fail to attend any meeting, the chairman of the meeting or the holders of a majority of the shares of stock entitled to vote who are present, in person or by proxy, may adjourn the meeting to another place, if any, date, or time.

Section 5: Organization.

Such person as the Board of Directors may have designated or, in the absence of such a person, the President of the Corporation or, in his or her absence, such person as may be chosen by the holders of a majority of the shares entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as chairman of the meeting. In the absence of the Secretary of the Corporation, the secretary of the meeting shall be such person as the chairman of the meeting appoints.

Section 6: Conduct of Business.

The chairman of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him or her in order. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting.

Section 7: Proxies and Voting.

At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this paragraph may be substituted or used in lieu of

the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

The Corporation may, and to the extent required by law, shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting may, and to the extent required by law, shall, appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. Every vote taken by ballots shall be counted by an inspector or inspectors appointed by the chairman of the meeting.

All elections shall be determined by a plurality of the votes cast, and except as otherwise required by law, all other matters shall be determined by a majority of the votes cast affirmatively or negatively.

Section 8: Stock List.

A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in his or her name, shall be open to the examination of any such stockholder for a period of at least ten (10) days prior to the meeting in the manner provided by law.

The stock list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law. This list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

Section 9: Consent of Stockholders in Lieu of Meeting.

Any action required to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested.

Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the date the earliest dated consent is delivered to the Corporation, a written consent or consents signed by a sufficient number of holders to take action are delivered to the Corporation in the manner prescribed in the first paragraph of this Section. A telegram, cablegram or other

electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this Section to the extent permitted by law. Any such consent shall be delivered in accordance with Section 228(d)(1) of the Delaware General Corporation Law.

Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

## ARTICLE II - BOARD OF DIRECTORS

### Section 1: Number and Term of Office.

The number of directors who shall constitute the whole Board of Directors shall be such number as the Board of Directors shall from time to time have designated, except that in the absence of any such designation, such number shall be two (2). Each director shall be elected for a term of one year and until his or her successor is elected and qualified, except as otherwise provided herein or required by law.

Whenever the authorized number of directors is increased between annual meetings of the stockholders, a majority of the directors then in office shall have the power to elect such new directors for the balance of a term and until their successors are elected and qualified. Any decrease in the authorized number of directors shall not become effective until the expiration of the term of the directors

then in office unless, at the time of such decrease, there shall be vacancies on the board which are being eliminated by the decrease.

Section 2: Vacancies.

If the office of any director becomes vacant by reason of death, resignation, disqualification, removal or other cause, a majority of the directors remaining in office, although less than a quorum, may elect a successor for the unexpired term and until his or her successor is elected and qualified.

Section 3: Regular Meetings.

Regular meetings of the Board of Directors shall be held at such place or places, on such date or dates, and at such time or times as shall have been established by the Board of Directors and publicized among all directors. A notice of each regular meeting shall not be required.

Section 4: Special Meetings.

Special meetings of the Board of Directors may be called by one-third (1/3) of the directors then in office (rounded up to the nearest whole number) or by the President and shall be held at such place, on such date, and at such time as they or he or she shall fix. Notice of the place, date, and time of each such special meeting shall be given to each director by whom it is not waived by mailing written notice not less than five (5) days before the meeting or by telegraphing or telexing or by facsimile or electronic transmission of the same not less than twenty-four (24) hours before the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

Section 5: Quorum.

At any meeting of the Board of Directors, a majority of the total number of the whole Board of Directors shall constitute a quorum for all purposes. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, date, or time, without further notice or waiver thereof.

Section 6: Participation in Meetings By Conference Telephone.

Members of the Board of Directors, or of any committee thereof, may participate in a meeting of such Board of Directors or committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting.

Section 7: Conduct of Business.

At any meeting of the Board of Directors, business shall be transacted in such order and manner as the Board of Directors may from time to time determine, and all matters shall be determined by the vote of a majority of the directors present, except as otherwise provided herein or required by law. Action may be taken by the Board of Directors without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.



Section 8: Compensation of Directors.

Directors, as such, may receive, pursuant to resolution of the Board of Directors, fixed fees and other compensation for their services as directors, including, without limitation, their services as members of committees of the Board of Directors.

ARTICLE III - COMMITTEES

Section 1: Committees of the Board of Directors.

The Board of Directors may from time to time designate committees of the Board of Directors, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board of Directors and shall, for those committees and any others provided for herein, elect a director or directors to serve as the member or members, designating, if it desires, other directors as alternate members who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of any member of any committee and any alternate member in his or her place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

Section 2: Conduct of Business.

Each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided herein or required by law. Adequate provision shall be made for notice to members of all meetings; one-third (1/3) of the members shall constitute a quorum unless the committee shall consist of one (1) or two (2) members, in which event one

(1) member shall constitute a quorum; and all matters shall be determined by a majority vote of the members present. Action may be taken by any committee without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

#### ARTICLE IV - OFFICERS

##### Section 1: Generally.

The officers of the Corporation shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as may from time to time be appointed by the Board of Directors. Officers shall be elected by the Board of Directors, which shall consider that subject at its first meeting after every annual meeting of stockholders. Each officer shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal. Any number of offices may be held by the same person.

##### Section 2: President.

The President shall be the chief executive officer of the Corporation. Subject to the provisions of these By-laws and to the direction of the Board of Directors, he or she shall have the responsibility for the general management and control of the business and affairs of the Corporation and shall perform all duties and have all powers which are commonly incident to the office of chief executive or which are delegated to him or her by the Board of Directors. He or she shall have power to sign all stock

certificates, contracts and other instruments of the Corporation which are authorized and shall have general supervision and direction of all of the other officers, employees and agents of the Corporation.

Section 3: Vice President.

Each Vice President shall have such powers and duties as may be delegated to him or her by the Board of Directors. One (1) Vice President shall be designated by the Board of Directors to perform the duties and exercise the powers of the President in the event of the President's absence or disability.

Section 4: Treasurer.

The Treasurer shall have the responsibility for maintaining the financial records of the Corporation. He or she shall make such disbursements of the funds of the Corporation as are authorized and shall render from time to time an account of all such transactions and of the financial condition of the Corporation. The Treasurer shall also perform such other duties as the Board of Directors may from time to time prescribe.

Section 5: Secretary.

The Secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the stockholders and the Board of Directors. He or she shall have charge of the corporate books and shall perform such other duties as the Board of Directors may from time to time prescribe.

Section 6: Delegation of Authority.

The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

Section 7: Removal.

Any officer of the Corporation may be removed at any time, with or without cause, by the Board of Directors.

Section 8: Action with Respect to Securities of Other Corporations.

Unless otherwise directed by the Board of Directors, the President or any officer of the Corporation authorized by the President shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

ARTICLE V - STOCK

Section 1: Certificates of Stock.

Each stockholder shall be entitled to a certificate signed by, or in the name of the Corporation by, the President or a Vice President, and by the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer, certifying the number of shares owned by him or her. Any or all of the signatures on the certificate may be by facsimile.

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Section 2: Transfers of Stock.

Transfers of stock shall be made only upon the transfer books of the Corporation kept at an office of the Corporation or by transfer agents designated to transfer shares of the stock of the Corporation. Except where a certificate is issued in accordance with Section 4 of Article V of these By-laws, an outstanding certificate for the number of shares involved shall be surrendered for cancellation before a new certificate is issued therefor.

Section 3: Record Date.

In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders, or to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of any meeting of stockholders, nor more than sixty (60) days prior to the time for such other action as hereinbefore described; provided, however, that if no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and, for determining stockholders entitled to receive payment of any dividend or other distribution or allotment of rights or to exercise any rights of change, conversion or

exchange of stock or for any other purpose, the record date shall be at the close of business on the day on which the Board of Directors adopts a resolution relating hereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to consent to corporate action without a meeting, (including by telegram, cablegram or other electronic transmission as permitted by law), the Board of Directors may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall be not more than ten (10) days after the date upon which the resolution fixing the record date is adopted. If no record date has been fixed by the Board of Directors and no prior action by the Board of Directors is required by the Delaware General Corporation Law, the record date shall be the first date on which a consent setting forth the action taken or proposed to be taken is delivered to the Corporation in the manner prescribed by Article I, Section 9 hereof. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by the Delaware General Corporation Law with respect to the proposed action by consent of the stockholders without a meeting, the record date for determining stockholders entitled to consent to corporate action without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

Section 4: Lost, Stolen or Destroyed Certificates.

In the event of the loss, theft or destruction of any certificate of stock, another may be issued in its place pursuant to such regulations as the Board of Directors may establish concerning proof of such loss, theft or destruction and concerning the giving of a satisfactory bond or bonds of indemnity.

Section 5: Regulations.

The issue, transfer, conversion and registration of certificates of stock shall be governed by such other regulations as the Board of Directors may establish.

ARTICLE VI - NOTICES

Section 1: Notices.

If mailed, notice to stockholders shall be deemed given when deposited in the mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the Delaware General Corporation Law.

Section 2: Waivers.

A written waiver of any notice, signed by a stockholder or director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in such a waiver.

ARTICLE VII - MISCELLANEOUS

Section 1: Facsimile Signatures.

In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these By-laws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

Section 2: Corporate Seal.

The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary or Assistant Treasurer.

Section 3: Reliance upon Books, Reports and Records.

Each director, each member of any committee designated by the Board of Directors, and each officer of the Corporation shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the Board of Directors so designated, or by any other person as to matters which such director or committee member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.



Section 4. Fiscal Year.

The fiscal year of the Corporation shall be as fixed by the Board of Directors.

Section 5: Time Periods.

In applying any provision of these By-laws which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

ARTICLE VIII - INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1: Right to Indemnification.

Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer or trustee, or in any other capacity while serving as a director, officer or trustee, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the

Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; provided, however, that, except as provided in Section 3 of this ARTICLE VIII with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

Section 2: Right to Advancement of Expenses.

In addition to the right to indemnification conferred in Section 1 of this ARTICLE VIII, an indemnitee shall also have the right to be paid by the Corporation the expenses (including attorney's fees) incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that, if the Delaware General Corporation Law requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 2 or otherwise.

Section 3: Right of Indemnitee to Bring Suit.

If a claim under Section 1 or 2 of this ARTICLE VIII is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the Delaware General Corporation Law. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its

stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this ARTICLE VIII or otherwise shall be on the Corporation.

Section 4: Non-Exclusivity of Rights.

The rights to indemnification and to the advancement of expenses conferred in this ARTICLE VIII shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Corporation's Certificate of Incorporation, By-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 5: Insurance.

The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

Section 6: Indemnification of Employees and Agents of the Corporation.

The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses

to any employee or agent of the Corporation to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

Section 7: Nature of Rights.

The rights conferred upon indemnitees in this ARTICLE VIII shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer or trustee and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this ARTICLE VIII that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit or eliminate any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment, alteration or repeal.

ARTICLE IX - AMENDMENTS

These By-laws may be amended or repealed by the Board of Directors at any meeting or by the stockholders at any meeting.

THIS IS TO CERTIFY:

That I am the duly elected, qualified and acting Secretary of Syndax Pharmaceuticals, Inc., a Delaware corporation, and that the foregoing By-Laws were adopted as the By-Laws of said Corporation on the 11th day of October, 2005, by the Board of Directors of said Corporation.

/s/ Robert J. More

Robert J. More

**SYNDAX PHARMACEUTICALS, INC.**

**AMENDED AND RESTATED CERTIFICATE OF INCORPORATION**

Syndax Pharmaceuticals, Inc., a Delaware Corporation duly organized and validly existing under and by virtue of the Delaware General Corporation Law (the "**Corporation**"), hereby certifies as follows.

1. The name of the Corporation is Syndax Pharmaceuticals, Inc. The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on October 11, 2005.

2. The Amended and Restated Certificate of Incorporation of the Corporation, attached hereto as **Exhibit A**, is incorporated herein by reference, and restates, integrates and further amends the provisions of the Amended and Restated Certificate of Incorporation as previously amended or supplemented.

3. The Amended and Restated Certificate of Incorporation was duly adopted by the Corporation's Board of Directors and by the Corporation's stockholders in accordance with Sections 242 and 245 of the Delaware General Corporation Law, with the approval of the Corporation's stockholders having been given by written consent without a meeting in accordance with Section 228 of the Delaware General Corporation Law.

**IN WITNESS WHEREOF**, the Corporation has caused this Amended and Restated Certificate of Incorporation to be signed by its duly authorized officer and the foregoing facts stated herein are true and correct.

Dated:

**SYNDAX PHARMACEUTICALS, INC.**

By: \_\_\_\_\_  
Name: Briggs Morrison  
Title: Chief Executive Officer

EXHIBIT A

SYNDAX PHARMACEUTICALS, INC.

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

ARTICLE I: NAME

The name of the corporation is Syndax Pharmaceuticals, Inc. (the “**Corporation**”).

ARTICLE II: AGENT FOR SERVICE OF PROCESS

The address of the Corporation’s registered office in the State of Delaware is 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, Delaware 19808. The name of the registered agent of the Corporation at that address is Corporation Service Company.

ARTICLE III: PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law (the “**DGCL**”).

ARTICLE IV: AUTHORIZED STOCK

**1. Total Authorized.** The total number of shares of all classes of stock that the Corporation has authority to issue is 110,000,000 shares, consisting of two classes: 100,000,000 shares of common stock, \$0.0001 par value per share (the “**Common Stock**”), and 10,000,000 shares of preferred stock, \$0.001 par value per share (the “**Preferred Stock**”).

**2. Common Stock.**

**2.1 Relative Rights**

The Common Stock shall be subject to all of the rights, privileges, preferences and priorities set forth in this Amended and Restated Certificate of Incorporation.

**2.2 Dividends**

Except as may be provided in any resolution or resolutions of the Board of Directors of the Corporation (the “**Board**”) providing for any series of Preferred Stock outstanding at any time, whenever there shall have been paid, or declared and set aside for payment, to the holders of shares of any class or series of stock having preference over the Common Stock as to the payment of dividends, the full amount of dividends and of sinking fund or retirement payments, if any, to which such holders are respectively entitled in preference to the Common Stock, then dividends may be paid on the Common Stock and on any class or series of stock entitled to participate therewith as to dividends, out of any assets legally available for the payment of dividends thereon, but only when and as declared by the Board. Any dividends on the Common Stock will not be cumulative.



### **2.3 Dissolution, Liquidation, Winding Up**

In the event of any dissolution, liquidation, or winding up of the Corporation, whether voluntary or involuntary, the holders of the Common Stock, and holders of any class or series of stock entitled to participate therewith, in whole or in part, as to the distribution of assets in such event, shall be entitled to participate in the distribution of any assets of the Corporation remaining after the Corporation shall have paid, or provided for payment of, all debts and liabilities of the Corporation and after the Corporation shall have paid, or set aside for payment, to the holders of any class or series of stock having preference over the Common Stock in the event of dissolution, liquidation or winding up the full preferential amounts (if any) to which they are entitled.

### **2.4 Voting Rights**

Each holder of shares of the Common Stock shall be entitled to notice of and to attend all special and annual meetings of stockholders. Except as may otherwise be required by law, and subject to the provisions of such resolution or resolutions as may be adopted by the Board pursuant to Section 3 of this Article IV granting the holders of one or more series of the Preferred Stock exclusive or special voting powers with respect to any matter, each holder of the Common Stock shall have one vote per share of the Common Stock held of record, provided, however, that except as otherwise required by law, holders of the Common Stock, as such, shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including a certificate of designations relating to any series of the Preferred Stock) that relates solely to the terms of one or more outstanding series of the Preferred Stock if the holders of such affected series are entitled, either voting separately or together with the holders of one or more other such series, to vote thereon pursuant to this Amended and Restated Certificate of Incorporation (including a certificate of designations relating to any series of the Preferred Stock) or pursuant to the DGCL. Each holder of shares of the Common Stock may exercise its vote either in person or by proxy, in accordance with the DGCL, this Amended and Restated Certificate of Incorporation and the bylaws of the Corporation.

### **3. Preferred Stock.**

The Board is authorized, subject to limitations prescribed by the DGCL and the provisions of this Amended and Restated Certificate of Incorporation, to provide, by resolution or resolutions from time to time and by filing certificates of designations pursuant to the DGCL, for the issuance of shares of the Preferred Stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the voting powers, designations, preferences and relative, participating, optional or other special rights of the shares of each such series of the Preferred Stock and to fix the qualifications, limitations or restrictions thereof.

The authority of the Board with respect to each series shall include, but not be limited to, determination of the following: (a) the number of shares constituting that series and the distinctive designation of that series; (b) the dividend rate on the shares of that series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series; (c) whether that series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights; (d) whether that series shall have conversion privileges, and, if so, the terms and conditions of such conversion, including provision for adjustment of the conversion rate in such events as the Board shall determine; (e) whether or not the shares of that series shall be redeemable, and, if so, the terms and conditions of such redemption, including the dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates; (f) whether that series shall have a sinking fund for the redemption or purchase of shares of that series,

and, if so, the terms and amount of such sinking fund; (g) the rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series; and (h) any other relative powers, preferences, and rights of that series, and qualifications, limitations or restrictions on that series as the Board shall determine.

#### ARTICLE V: AMENDMENT OF BYLAWS

In furtherance and not in limitation of the powers conferred by the DGCL, the Board is expressly authorized and empowered to adopt, alter, amend, repeal and rescind the bylaws of the Corporation.

#### ARTICLE VI: BOARD OF DIRECTORS

**1. Director Powers.** The business and affairs of the Corporation shall be managed by or under the direction of the Board. In addition to the powers and authority expressly conferred upon them by statute or by this Amended and Restate Certificate of Incorporation or the bylaws of the Corporation, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

**2. Number of Directors.** Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the total number of directors constituting the entire Board shall be fixed from time to time solely by resolution of the Board.

**3. Classified Board.** Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the directors shall be divided, with respect to the time for which they severally hold office, into three classes designated as Class I, Class II and Class III, respectively (the "**Classified Board**"). The Board may assign members of the Board already in office to the Classified Board, which assignments shall become effective at the same time the Classified Board becomes effective. Directors shall be assigned to each class in accordance with a resolution or resolutions adopted by the Board, with the number of directors in each class to be divided as nearly equal as reasonably possible. The initial term of office of the Class I directors shall expire at the Corporation's first annual meeting of stockholders following the effectiveness of this Amended and Restated Certificate of Incorporation (the "**Effective Time**"), the initial term of office of the Class II directors shall expire at the Corporation's second annual meeting of stockholders following the Effective Time, and the initial term of office of the Class III directors shall expire at the Corporation's third annual meeting of stockholders following the Effective Time. At each annual meeting of stockholders following the Effective Time, directors elected to succeed those directors of the class whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election. Each director shall hold office until his or her successor shall have been duly elected and qualified, or until such director's earlier death, resignation or removal.

**4. No Cumulative Voting.** No person entitled to vote at an election for directors may cumulate votes to which such person is entitled.

**5. Term and Removal.** Each director shall hold office until such director's successor is elected and qualified, or until such director's earlier death, resignation or removal. Any director may resign at any time upon notice to the Corporation given in writing or by any electronic transmission permitted in the Corporation's bylaws. Subject to the rights of the holders of any series of Preferred Stock, no director may be removed except for cause and only by the affirmative vote of the holders of at least sixty-six percent (66%) of the voting power of the then-outstanding shares of capital stock of the Corporation then entitled to vote at an election of directors voting together as a single class. No decrease in the authorized number of directors constituting the Board shall shorten the term of any incumbent director.

**6. Board Vacancies.** Subject to the rights of the holders of any series of Preferred Stock, any vacancy occurring in the Board for any reason, and any newly created directorship resulting from any increase in the authorized number of directors, shall, unless (a) the Board determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders or (b) as otherwise provided by law, be filled only by the affirmative vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which the director has been assigned expires or until such director's successor shall have been duly elected and qualified.

**7. Vote by Ballot.** Election of directors need not be by written ballot unless the bylaws of the Corporation shall so provide.

**8. Officers.** Except as otherwise expressly provided in the bylaws or as delegated by resolution of the Board, the Board shall have the exclusive power and authority to appoint and remove officers of the Corporation.

#### **ARTICLE VII: DIRECTOR LIABILITY**

**1. Limitation of Liability.** To the fullest extent permitted by law, no director of the Corporation shall be personally liable for monetary damages for breach of fiduciary duty as a director. Without limiting the effect of the preceding sentence, if the DGCL is hereafter amended to authorize the further elimination or limitation of the liability of a director, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

**2. Change in Rights.** Neither any amendment nor repeal of this Article VII, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation inconsistent with this Article VII, shall eliminate, reduce or otherwise adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such amendment, repeal or adoption of such an inconsistent provision.

#### **ARTICLE VIII: MATTERS RELATING TO STOCKHOLDERS**

**1. No Action by Written Consent of Stockholders.** Subject to the rights of any series of Preferred Stock, no action shall be taken by the stockholders of the Corporation except at a duly called annual or special meeting of stockholders and no action shall be taken by the stockholders by written consent.

**2. Annual Meeting of Stockholders.** The annual meeting of stockholders shall be held on such date, at such time, and at such place, if any, within or without the State of Delaware, as shall be fixed by the Board and stated in the Corporation's notice of the meeting. In lieu of holding an annual meeting of stockholders at a designated place, the Board may, in its sole discretion, determine that any annual meeting of stockholders may be held solely by means of remote communication.

**3. Special Meeting of Stockholders.** Subject to the rights of any holders of the Preferred Stock, (a) only the chairperson of the Board or a majority of the Board shall be permitted to call a special meeting of stockholders and (b) the business permitted to be conducted at a special meeting of

stockholders shall be limited to matters properly brought before the meeting by or at the direction of the Board. Special meetings shall be held on such date, at such time, and at such place, if any, within or without the State of Delaware, as shall be fixed by the Board and stated in the Corporation's notice of the meeting. In lieu of holding a special meeting of stockholders at a designated place, the Board may, in its sole discretion, determine that any special meeting of stockholders may be held solely by means of remote communication.

**4. Advance Notice of Stockholder Nominations and Business Transacted at Special Meetings.** Advance notice of stockholder nominations for the election of directors of the Corporation and of business to be brought by stockholders before any meeting of stockholders of the Corporation shall be given in the manner provided in the bylaws of the Corporation. Business transacted at special meetings of stockholders shall be confined to the purpose or purposes stated in the notice of meeting.

#### **ARTICLE IX: CREDITOR AND STOCKHOLDER COMPROMISES**

Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of §291 of Title 8 of the DGCL or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under §279 of Title 8 of the DGCL order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

#### **ARTICLE X: EXCLUSIVE JURISDICTION**

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) be the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of the Corporation, (2) any action or proceeding commenced by any stockholder or stockholders of the Corporation (including any class action) asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any director, officer, employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (3) any action or proceeding commenced by any stockholder or stockholders of the Corporation (including any class action) asserting a claim arising pursuant to any provision of the DGCL or the Corporation's certificate of incorporation or bylaws, (4) any action or proceeding commenced by any stockholder or stockholders of the Corporation (including any class action) to interpret, apply, enforce or determine the validity of the Corporation's certificate of incorporation or bylaws or (5) any action or proceeding asserting a claim governed by the internal affairs doctrine, in each such case to the fullest extent permitted by law and subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein.

**ARTICLE XI: AMENDMENT OF CERTIFICATE OF INCORPORATION**

The Corporation reserves the right to amend or repeal any provision contained in this Amended and Restated Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware and all rights conferred upon stockholders are granted subject to this reservation; provided, however, that, notwithstanding any other provision of this Amended and Restated Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any vote of the holders of any class or series of the stock of the Corporation required by law or by this Amended and Restated Certificate of Incorporation, the affirmative vote of the holders of at least sixty-six percent (66%) of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend or repeal this Article XI or Article V, Article VI, Article VII, Article VIII or Article X.

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**SYNDAX PHARMACEUTICALS, INC.**

a Delaware Corporation

**AMENDED AND RESTATED BYLAWS**

As Adopted , 2015

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**SYNDAX PHARMACEUTICALS, INC.**

a Delaware Corporation

**AMENDED AND RESTATED BYLAWS**

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**SYNDAX PHARMACEUTICALS, INC.**

a Delaware Corporation

**AMENDED AND RESTATED BYLAWS**

As Adopted , 2015

**ARTICLE I – OFFICES**

**Section 1.1 Registered Office.** The registered office of Syndax Pharmaceuticals, Inc. (the “**Corporation**”) shall be at 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, Delaware 19808.

**Section 1.2 Other Offices.** The Corporation may also have offices at such other places both within and without the State of Delaware as the Corporation’s Board of Directors (the “**Board**”) may from time to time determine or as the business of the Corporation may require.

**ARTICLE II – STOCKHOLDERS**

**Section 2.1 Place of Meetings.** Meetings of stockholders may be held at such place within or without the State of Delaware as may be designated from time to time by the Board. The Board may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communications as authorized by Delaware law.

**Section 2.2 Annual Meetings.** The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held at such place, if any, on such date and at such time as fixed by the Board and stated in the Corporation’s notice of the meeting.

**Section 2.3 Special Meetings.** Subject to the rights of any holders of the Preferred Stock, only the chairperson of the Board or a majority of the Board shall be permitted to call a special meeting of stockholders, for any purpose or purposes prescribed in the Corporation’s notice of the meeting and shall be held at such place, if any, on such date and at such time as the Board may fix. Business transacted at any special meeting of stockholders shall be confined to the purpose or purposes stated in the notice of meeting.

**Section 2.4 Notice of Meetings.** Notice of all meetings of stockholders shall be given in writing or by electronic transmission in the manner provided by law (including, without limitation, as set forth in Section 8.1.1 of these Bylaws) stating the date, time and place, if any, of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise required by

applicable law or the Amended and Restated Certificate of Incorporation of the Corporation (the “**Certificate of Incorporation**”), such notice shall be given not less than ten (10), nor more than sixty (60) days, before the date of the meeting to each stockholder of record entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

**Section 2.5 Adjournments.** The chairperson of the meeting, or, in the absence of such person, any officer entitled to preside at or to act as Secretary of such meeting, or the holders of a majority in voting power of the shares of stock present or represented at the meeting and entitled to vote, although less than a quorum, shall have the power to adjourn the meeting to another time, date and place (if any). Any meeting of stockholders may adjourn from time to time, and notice need not be given of any such adjourned meeting if the time, date and place (if any) thereof and the means of remote communications (if any) by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the adjournment is for more than thirty (30) days, then a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting. At the adjourned meeting the Corporation may transact any business that might have been transacted at the original meeting. To the fullest extent permitted by law, the Board may postpone, reschedule or cancel any previously scheduled special or annual meeting of stockholders before it is to be held.

**Section 2.6 Quorum.** At each meeting of stockholders the holders of a majority of the voting power of the issued and outstanding shares of capital stock of the Corporation entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business, unless otherwise required by applicable law, the Certificate of Incorporation or these Bylaws. If a quorum shall fail to attend any meeting, the chairperson of the meeting or the holders of a majority of the voting power of the shares entitled to vote who are present, in person or by proxy, at the meeting may adjourn the meeting. Shares of the Corporation’s stock belonging to the Corporation (or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation are held, directly or indirectly, by the Corporation), shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation or any other corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity and to count such shares for purposes of determining a quorum.

**Section 2.7 Organization.** Meetings of stockholders shall be presided over by such person as the Board may designate, or, in the absence of such a person, the chairperson of the Board, or, in the absence of such person, the Chief Executive Officer or the President of the Corporation, or, in the absence of such person, such person as may be chosen by the holders of a majority of the voting power of the shares entitled to vote who are present, in person or by proxy, at the meeting. The Secretary of the Corporation shall act as secretary of the meeting, but in such person’s absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

**Section 2.8 Voting; Proxies.** Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy. Such a proxy may be prepared, transmitted and delivered in any manner permitted by applicable law. Except as may be required in the Certificate of Incorporation, directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Unless otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, every matter other than the election of directors shall be decided by the affirmative vote of the holders of a majority of the voting power of the shares of stock entitled to vote on such matter that are present in person or represented by proxy at the meeting and are voted for or against the matter.

**Section 2.9 Fixing Date for Determination of Stockholders of Record.**

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which shall not be more than sixty (60) days prior to such other action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

**Section 2.10 List of Stockholders Entitled to Vote.** The officer who has charge of the stock ledger shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of stockholders entitled to vote at any meeting of stockholders (provided, however, if the record date for determining stockholders entitled to vote is less than ten (10) days

before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either on a reasonably accessible electronic network as permitted by law (provided that the information required to gain access to the list is provided with the notice of the meeting) or during ordinary business hours at the principal place of business of the Corporation. If the meeting is held at a location where stockholders may attend in person, the list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present at the meeting. If the meeting is held solely by means of remote communication, then the list shall be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access the list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 2.10 or to vote in person or by proxy at any meeting of stockholders.

**Section 2.11 Inspectors of Election.** The Corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the chairperson of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (a) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, (b) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

**Section 2.12 Conduct of Meetings.** The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the person presiding over any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such

presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the presiding person of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

### **Section 2.13 Notice of Stockholder Business; Nominations.**

#### **2.13.1 Annual Meeting of Stockholders.**

(a) Nominations of persons for election to the Board and the proposal of business to be considered by the stockholders shall be made at an annual meeting of stockholders only (i) pursuant to the Corporation's notice of such meeting (or any supplement thereto), (ii) by or at the direction of the Board or any committee thereof or (iii) by any stockholder of the Corporation who was a stockholder of record at the time of giving of the notice provided for in this Section 2.13, who is entitled to vote at such meeting and who complies with the notice procedures set forth in this Section 2.13.

(b) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to Section 2.13.1(a)(iii):

(i) the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation;

(ii) such other business (other than the nominations of persons for election to the Board) must otherwise be a proper matter for stockholder action;

(iii) if the stockholder, or the beneficial owner on whose behalf any such proposal or nomination is made, has provided the Corporation with a Solicitation Notice, as that term is defined in this Section, such stockholder or beneficial owner must, in the case of a proposal, have delivered a proxy statement and form of proxy to holders of at least the percentage of the Corporation's voting shares required under applicable law to carry any such proposal, or, in the case of a nomination or nominations, have delivered a proxy statement and form of proxy to holders of a percentage of the Corporation's voting shares reasonably believed by such

stockholder or beneficial holder to be sufficient to elect the nominee or nominees proposed to be nominated by such stockholder, and must, in either case, have included in such materials the Solicitation Notice; and

(iv) if no Solicitation Notice relating thereto has been timely provided pursuant to this Section, the stockholder or beneficial owner proposing such business or nomination must not have solicited a number of proxies sufficient to have required the delivery of such a Solicitation Notice under this Section.

To be timely, a stockholder's notice must be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that no annual meeting was held during the preceding year or the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after the first anniversary date of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered (A) no earlier than the close of business on the one hundred twentieth (120th) day prior to currently proposed annual meeting and (B) no later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the close of business on the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth:

(x) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that would be required to be disclosed in solicitations of proxies for election of directors, or would be otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected;

(y) as to any other business that the stockholder proposes to bring before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these Bylaws, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made;

(z) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (aa) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (bb) the class and number of shares of the Corporation that are owned beneficially and held of record by such stockholder and such beneficial owner, (cc) whether either such stockholder or beneficial owner intends to deliver a proxy statement and form of proxy to holders of, in the case of a proposal, at least the percentage of the Corporation's voting shares required under applicable law to carry the proposal or, in the case of a nomination or

nominations, a sufficient number of holders of the Corporation's voting shares to elect such nominee or nominees (an affirmative statement of such intent being a "**Solicitation Notice**"), (dd) a description of any agreement, arrangement or understanding with respect to the nomination or proposal between or among such stockholder and/or such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, including, in the case of a nomination, the nominee, (ee) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, such stockholder and such beneficial owners, whether or not such instrument or right shall be subject to settlement in underlying shares of capital stock of the Corporation, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such beneficial owner, with respect to securities of the Corporation, (ff) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, and (gg) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder. The foregoing notice requirements of this Section 2.13.1 shall be deemed satisfied by a stockholder with respect to business other than a nomination if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with applicable rules and regulations promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. The Corporation may require any proposed nominee to furnish such other information as the Corporation may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

(c) Notwithstanding anything in the second sentence of Section 2.13.1(b) to the contrary, in the event that the number of directors to be elected to the Board is increased and there is no Public Announcement, as defined below, by the Corporation naming all of the nominees for director or specifying the size of the increased Board at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 2.13 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary of the Corporation at the principal executive office of the Corporation no later than the close of business on the tenth (10th) day following the day on which such Public Announcement is first made by the Corporation.

2.13.2 Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of such meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the

Corporation's notice of such meeting (a) by or at the direction of the Board or any committee thereof or (b) provided that the Board has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice of the special meeting, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 2.13. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting, only if the stockholder's notice containing the information specified in subsections (x) and (z) of Section 2.13.1(b) shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation (i) no earlier than the one hundred twentieth (120th) day prior to such special meeting and (ii) no later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which Public Announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting; provided, however, that any stockholder nominating a person or persons (as the case may be) for election as director(s) at a special meeting at which the Board has determined that directors will be elected shall also comply with Section 2.13.1(b)(iii) and 2.13.1(b)(iv) of these Bylaws, and nominations made by any stockholder who fails to comply with such provisions shall be void. In no event shall the Public Announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

### 2.13.3 General.

(a) Only such persons who are nominated in accordance with the procedures set forth in this Section 2.13 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.13. Except as otherwise provided by law or these Bylaws, the chairperson of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 2.13 and, if any proposed nomination or business is not in compliance herewith, to declare that such defective proposal or nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 2.13, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.13, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.



(b) For purposes of this Section 2.13, the term “**Public Announcement**” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to section 13, 14 or 15(d) of the Exchange Act.

(c) Notwithstanding the foregoing provisions of this Section 2.13, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 2.13; provided, however, that any references in these Bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 2.13. Nothing in this Section 2.13 shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals or nominations in the Corporation’s proxy statement pursuant to applicable rules and regulations promulgated under the Exchange Act or (b) of the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation.

### ARTICLE III – BOARD OF DIRECTORS

**Section 3.1 Number; Qualifications.** The Board shall consist of one or more members. Within such limit, the number of directors shall be determined from time to time solely by resolution of the Board. No decrease in the authorized number of directors constituting the Board shall shorten the term of any incumbent director. Directors need not be stockholders of the Corporation.

**Section 3.2 Election; Resignation; Removal.** The directors shall be divided, with respect to the time for which they severally hold office, into classes as provided in the Certificate of Incorporation. All directors shall hold office until the expiration of the term for which elected and until their respective successors are elected, except in the case of the death, resignation or removal of any director. Any director may resign at any time upon written notice to the Corporation. Directors may be removed as provided in the Certificate of Incorporation.

**Section 3.3 Vacancies and Newly Created Directorships.** Subject to the rights of the holders of any series of Preferred Stock, any vacancy occurring in the Board for any cause, and any newly created directorship resulting from any increase in the authorized number of directors, shall, unless (a) the Board determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders or (b) as otherwise provided by law, be filled only by the affirmative vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which the director has been assigned expires or until such director’s successor shall have been duly elected and qualified.

**Section 3.4 Regular Meetings.** Regular meetings of the Board may be held at such places, within or without the State of Delaware, and at such times as the Board may from time to time determine. Notice of regular meetings need not be given if the date, times and places thereof are fixed by resolution of the Board.

**Section 3.5 Special Meetings.** Special meetings of the Board may be called by the chairperson of the Board, or in such person's absence by the Chief Executive Officer or the President (if a director), or a majority of the members of the Board then in office and may be held at any time, date or place, within or without the State of Delaware, as the person or persons calling the meeting shall fix. Notice of the time, date and place of such meeting shall be given, orally, in writing or by electronic transmission (including electronic mail), by the person or persons calling the meeting to all directors at least four (4) days before the meeting if the notice is mailed, or at least twenty-four (24) hours before the meeting if such notice is given by telephone, hand delivery, telegram, telex, mailgram, facsimile, electronic mail or other means of electronic transmission. Unless otherwise indicated in the notice, the business permitted to be conducted at a special meeting of stockholders shall be limited to matters properly brought before the meeting by or at the direction of the Board.

**Section 3.6 Remote Meetings Permitted.** Members of the Board, or any committee of the Board, may participate in a meeting of the Board or such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to conference telephone or other communications equipment shall constitute presence in person at such meeting.

**Section 3.7 Quorum; Vote Required for Action.** At all meetings of the Board and each committee thereof, a majority of the total number of the whole Board or such committee shall constitute a quorum for the transaction of business. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, date or time without further notice, other than an announcement at the meeting, until a quorum is present. Except as otherwise provided herein or in the Certificate of Incorporation, or required by law, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

**Section 3.8 Organization.** Meetings of the Board shall be presided over by the chairperson of the Board, or in such person's absence by the Chief Executive Officer or the President (if a director), or in such person's absence by a chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in such person's absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

**Section 3.9 Written Action by Directors.** Any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee, respectively, in the minute books of the Corporation. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

**Section 3.10 Powers.** The Board may, except as otherwise required by law or the Certificate of Incorporation, exercise all such powers and manage and direct all such acts and things as may be exercised or done by the Corporation.

**Section 3.11 Compensation of Directors.** Members of the Board, as such, may receive, pursuant to a resolution of the Board, fees and other compensation for their services as directors, including without limitation their services as members of committees of the Board.

#### ARTICLE IV – COMMITTEES

**Section 4.1 Committees.** The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting of such committee who are not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent provided in a resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers that may require it, but no such committee shall have the power or authority in reference to the following matters: (a) approving, adopting, or recommending to the stockholders any action or matter (other than the election or removal of members of the Board) expressly required by the Delaware General Corporation Law (the “DGCL”) to be submitted to stockholders for approval; or (b) adopting, amending or repealing any of these Bylaws.

**Section 4.2 Committee Rules.** Unless the Board otherwise provides, each committee designated by the Board may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board conducts its business pursuant to Article III of these Bylaws.

#### ARTICLE V – OFFICERS

**Section 5.1 Generally.** The officers of the Corporation shall consist of a Chief Executive Officer (who may be the chairperson of the Board or the President, unless the Board shall designate another officer to be the Chief Executive Officer), a President and a Secretary, and may consist of such other officers, including a Chief Financial Officer, a Chief Medical Officer and one or more Vice Presidents, as may from time to time be appointed by the Board. Except as otherwise expressly delegated by resolution of the Board, the Board shall have the exclusive power and authority to appoint and remove officers of the Corporation. Each officer shall hold office until such person’s successor is appointed or until such person’s earlier resignation, death or removal. Any number of offices may be held by the same person. Any officer may resign at any time upon written notice to the Corporation. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise may be filled by the Board.

**Section 5.2 Chairperson of the Board.** The chairperson of the Board shall have the power to preside at all meetings of the Board and shall have such other powers and duties as provided in these Bylaws and as the Board may from time to time prescribe.

**Section 5.3 President.** Unless otherwise designated by the Board, the President shall be the Chief Executive Officer of the Corporation. The President shall, subject to the direction of the Board, have responsibility for the general management and control of the business and affairs of the Corporation and shall perform all duties and have all powers which are commonly incident to the office of President or which are delegated to him or her by the Board. The President shall, in the absence of or because of the inability to act of the chairperson of the Board, perform all duties of the chairperson of the Board and preside at all meetings of the Board and of stockholders. The President shall perform such other duties and shall have such other powers as the Board may from time to time prescribe. He or she shall have power to sign stock certificates, contracts and other instruments of the Corporation which are authorized and shall have general supervision and direction of all of the other officers, employees and agents of the Corporation, other than the chairperson of the Board.

**Section 5.4 Vice President.** Each Vice President shall have all such powers and duties as are commonly incident to the office of Vice President, or that are delegated to him or her by the Board or the Chief Executive Officer. A Vice President may be designated by the Board to perform the duties and exercise the powers of the Chief Executive Officer in the event of the Chief Executive Officer's absence or disability. A Vice President may be designated by the Board to perform the duties and exercise the powers of the Chief Financial Officer in the event of the Chief Financial Officer's absence or disability.

**Section 5.5 Chief Financial Officer.** The Chief Financial Officer shall be the Treasurer of the Corporation unless the Board shall have designated another officer as the Treasurer of the Corporation. Subject to the direction of the Board and the Chief Executive Officer, the Chief Financial Officer shall perform all duties and have all powers that are commonly incident to the office of Chief Financial Officer.

**Section 5.6 Treasurer.** The Treasurer shall have custody of all moneys and securities of the Corporation. The Treasurer shall make such disbursements of the funds of the Corporation as are authorized and shall render from time to time an account of all such transactions. The Treasurer shall also perform such other duties and have such other powers as are commonly incident to the office of Treasurer, or as the Board or the Chief Executive Officer may from time to time prescribe.

**Section 5.7 Secretary.** The Secretary shall issue or cause to be issued all authorized notices for, and shall keep, or cause to be kept, minutes of all meetings of the stockholders and the Board. The Secretary shall have charge of the corporate minute books and similar records and shall perform such other duties and have such other powers as are commonly incident to the office of Secretary, or as the Board or the Chief Executive Officer may from time to time prescribe.

**Section 5.8 Delegation of Authority.** The Board may from time to time, in accordance with applicable law, delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

**Section 5.9 Removal.** Any officer of the Corporation may be removed at any time, with or without cause, by the Board; provided that if the Board has empowered the Chief

Executive Officer to appoint any Vice Presidents of the Corporation, then such Vice Presidents may also be removed by the Chief Executive Officer. Such removal shall be without prejudice to the contractual rights of such officer, if any, with the Corporation.

## ARTICLE VI – STOCK

**Section 6.1 Certificates.** The shares of capital stock of the Corporation shall be represented by certificates; provided, however, that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation (or the transfer agent or registrar, as the case may be). Notwithstanding the adoption of such resolution by the Board, every holder of stock that is a certificated security shall be entitled to have a certificate signed by or in the name of the Corporation by the chairperson or vice-chairperson of the Board, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the Corporation, certifying the number of shares owned by such stockholder in the Corporation. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were an officer, transfer agent or registrar at the date of issue.

**Section 6.2 Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates.** The Corporation may issue a new certificate of stock, or uncertificated shares, in the place of any certificate previously issued by it, alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to agree to indemnify the Corporation and/or to give the Corporation a bond sufficient to indemnify it, against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

**Section 6.3 Other Regulations.** The issue, transfer, conversion and registration of stock certificates and uncertificated securities shall be governed by such other regulations as the Board may establish.

## ARTICLE VII – INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

### **Section 7.1 Indemnification.**

(a) Subject to Section 7.3, the Corporation shall indemnify, to the full extent that it shall have power under applicable law to do so and in a manner permitted by such law, any person who is made or threatened to be made a party to or is otherwise involved (as a witness or otherwise) in any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (hereinafter, a "**Proceeding**"), by reason of the fact that such person is or was a director or officer of the Corporation, or while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a

director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, including service with respect to an employee benefit plan (collectively, “**Another Enterprise**”), against expenses (including attorneys’ fees), judgments, fines (including ERISA excise taxes or penalties) and amounts paid in settlement actually and reasonably incurred by him or her in connection with such Proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(b) The Corporation may indemnify, to the full extent that it shall have power under applicable law to do so and in a manner permitted by such law, any person who is made or threatened to be made a party to or is otherwise involved (as a witness or otherwise) in any threatened, pending, or completed Proceeding, by reason of the fact that such person is or was an employee or agent of the Corporation, or while not serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, or agent of Another Enterprise, against expenses (including attorneys’ fees), judgments, fines (including ERISA excise taxes or penalties) and amounts paid in settlement actually and reasonably incurred by him or her in connection with such Proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(c) To the extent that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any threatened, pending, or completed Proceeding referred to in Section 145(a) or (b) of the DGCL, or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses (including attorneys’ fees) actually and reasonably incurred by him or her in connection therewith.

(d) The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person seeking indemnification did not act in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

### **Section 7.2 Advancement of Expenses.**

(a) Subject to Section 7.3, with respect to any person who is made or threatened to be made a party to or is otherwise involved (as a witness or otherwise) in any threatened, pending, or completed Proceeding, by reason of the fact that such person is or was a director or officer of the Corporation or while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, or agent of Another Enterprise, the Corporation shall pay the expenses (including attorneys’ fees) incurred by such person in defending any such Proceeding in advance of its final disposition (hereinafter an “**Advancement of Expenses**”); *provided, however*, that any Advancement of Expenses shall be made only upon receipt of an undertaking (hereinafter an “**Undertaking**”) by such person to repay all amounts advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such person is not entitled to be indemnified for such expenses under this Article VII or otherwise.

(b) With respect to any person who is made or threatened to be made a party to or is otherwise involved (as a witness or otherwise) in any threatened, pending, or completed Proceeding, by reason of the fact that such person is or was an employee or agent of the Corporation, or while not serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, or agent of Another Enterprise, the Corporation may, in its discretion and upon such terms and conditions, if any, as the Corporation deems appropriate, pay the expenses (including attorneys' fees) incurred by such person in defending any such Proceeding in advance of its final disposition.

**Section 7.3 Actions Initiated Against The Corporation.** Anything in Section 7.1(a) or Section 7.2(a) to the contrary notwithstanding, except as provided in Section 7.5(b), with respect to a Proceeding initiated against the Corporation by a person who is or was a director or officer of the Corporation (whether initiated by such person in or by reason of such capacity or in or by reason of any other capacity, including as a director, officer, employee, or agent of Another Enterprise), the Corporation shall not be required to indemnify or to advance expenses (including attorneys' fees) to such person in connection with prosecuting such Proceeding (or part thereof) or in defending any counterclaim, cross-claim, affirmative defense, or like claim of the Corporation in such Proceeding (or part thereof) unless such Proceeding was authorized by the Board.

**Section 7.4 Contract Rights.** The rights to indemnification and Advancement of Expenses conferred upon any current or former director or officer of the Corporation pursuant to this Article VII (whether by reason of the fact that such person is or was a director or officer of the Corporation, or while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, or agent of Another Enterprise) shall be contract rights, shall vest when such person becomes a director or officer of the Corporation, and shall continue as vested contract rights even if such person ceases to be a director or officer of the Corporation. Any amendment, repeal, or modification of, or adoption of any provision inconsistent with, this Article VII (or any provision hereof) shall not adversely affect any right to indemnification or Advancement of Expenses granted to any person pursuant hereto with respect to any act or omission of such person occurring prior to the time of such amendment, repeal, modification, or adoption (regardless of whether the Proceeding relating to such acts or omissions, or any proceeding relating to such person's rights to indemnification or to Advancement of Expenses, is commenced before or after the time of such amendment, repeal, modification, or adoption), and any such amendment, repeal, modification, or adoption that would adversely affect such person's rights to indemnification or Advancement of Expenses hereunder shall be ineffective as to such person, except with respect to any threatened, pending, or completed Proceeding that relates to or arises from (and only to the extent such Proceeding relates to or arises from) any act or omission of such person occurring after the effective time of such amendment, repeal, modification, or adoption.

### **Section 7.5 Claims.**

(a) If (X) a claim under Section 7.1(a) with respect to any right to indemnification is not paid in full by the Corporation within sixty (60) days after a written demand has been received by the Corporation or (Y) a claim under Section 7.2(a) with respect to any right to the Advancement of Expenses is not paid in full by the Corporation within twenty (20) days after a written demand has been received by the Corporation, then the person seeking to enforce a right to indemnification or to an Advancement of Expenses, as the case may be, may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim.

(b) If successful in whole or in part in any suit brought pursuant to Section 7.5(a), or in a suit brought by the Corporation to recover an Advancement of Expenses (whether pursuant to the terms of an Undertaking or otherwise), the person seeking to enforce a right to indemnification or an Advancement of Expenses hereunder or the person from whom the Corporation sought to recover an Advancement of Expenses, as the case may be, shall be entitled to be paid by the Corporation the reasonable expenses (including attorneys' fees) of prosecuting or defending such suit.

(c) In any suit brought by a person seeking to enforce a right to indemnification hereunder (but not a suit brought by a person seeking to enforce a right to an Advancement of Expenses hereunder), it shall be a defense that the person seeking to enforce a right to indemnification has not met any applicable standard for indemnification under applicable law. With respect to any suit brought by a person seeking to enforce a right to indemnification or right to Advancement of Expenses hereunder or any suit brought by the Corporation to recover an Advancement of Expenses (whether pursuant to the terms of an Undertaking or otherwise), neither (i) the failure of the Corporation to have made a determination prior to commencement of such suit that indemnification of such person is proper in the circumstances because such person has met the applicable standards of conduct under applicable law, nor (ii) an actual determination by the Corporation that such person has not met such applicable standards of conduct, shall create a presumption that such person has not met the applicable standards of conduct or, in a case brought by such person seeking to enforce a right to indemnification, be a defense to such suit.

(d) In any suit brought by a person seeking to enforce a right to indemnification or to an Advancement of Expenses hereunder, or by the Corporation to recover an Advancement of Expenses (whether pursuant to the terms of an Undertaking or otherwise), the burden shall be on the Corporation to prove that the person seeking to enforce a right to indemnification or to an Advancement of Expenses or the person from whom the Corporation seeks to recover an Advancement of Expenses is not entitled to be indemnified, or to such an Advancement of Expenses, under this Article VII or otherwise.

**Section 7.6 Determination of Entitlement to Indemnification.** Any indemnification required or permitted under this Article VII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because he or she has met all applicable standards of conduct set forth in this Article VII and Section 145



of the DGCL. Such determination shall be made, with respect to a person who is a director or officer of the Corporation at the time of such determination, (a) by a majority vote of the directors who are not parties to such Proceeding, even though less than a quorum; (b) by a committee of such directors designated by majority vote of such directors, even though less than a quorum; (c) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion; or (d) by the stockholders. Such determination shall be made, with respect to any person who is not a director or officer of the Corporation at the time of such determination, in the manner determined by the Board (including in such manner as may be set forth in any general or specific action of the Board applicable to indemnification claims by such person) or in the manner set forth in any agreement to which such person and the Corporation are parties.

**Section 7.7 Non-Exclusive Rights.** The indemnification and Advancement of Expenses provided in this Article VII shall not be deemed exclusive of any other rights to which any person may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be such director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such person.

**Section 7.8 Insurance.** The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of Another Enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article VII or otherwise.

**Section 7.9 Severability.** If any provision or provisions of this Article VII shall be held to be invalid, illegal, or unenforceable for any reason whatsoever: (a) the validity, legality, and enforceability of the remaining provisions of this Article VII (including, without limitation, each portion of any paragraph or clause containing any such provision held to be invalid, illegal, or unenforceable, that is not itself held to be invalid, illegal, or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Article VII (including, without limitation, each such portion of any paragraph or clause containing any such provision held to be invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal, or unenforceable.

**Section 7.10 Miscellaneous.** For purposes of this Article VII: (a) references to serving at the request of the Corporation as a director or officer of Another Enterprise shall include any service as a director or officer of the Corporation that imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan; (b) references to serving at the request of the Corporation as an employee or agent of Another Enterprise shall include any service as an employee or agent of the Corporation that imposes duties on, or involves services by, such employee or agent with respect to an employee benefit plan; (c) a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a

manner not opposed to the best interests of the Corporation; and (d) references to a director of Another Enterprise shall include, in the case of any entity that is not managed by a board of directors, such other position, such as manager or trustee or member of the governing body of such entity, that entails responsibility for the management and direction of such entity's affairs, including, without limitation, general partner of any partnership (general or limited) and manager or managing member of any limited liability company.

## ARTICLE VIII – NOTICES

### Section 8.1 Notice.

8.1.1 Form and Delivery. Except as otherwise specifically required in these Bylaws (including, without limitation, Section 8.1.2 below) or by law, all notices required to be given pursuant to these Bylaws shall be in writing and may, (a) in every instance in connection with any delivery to a member of the Board, be effectively given by hand delivery (including use of a delivery service), by depositing such notice in the mail, postage prepaid, or by sending such notice by prepaid telegram, cablegram, overnight express courier, facsimile, electronic mail or other form of electronic transmission and (b) be effectively delivered to a stockholder when given by hand delivery, by depositing such notice in the U.S. mail, postage prepaid or, if specifically consented to by the stockholder as described in Section 8.1.2 of this Article VIII by sending such notice by telegram, cablegram, facsimile, electronic mail or other form of electronic transmission. Any such notice shall be addressed to the person to whom notice is to be given at such person's address as it appears on the records of the Corporation. The notice shall be deemed given (a) in the case of hand delivery, when received by the person to whom notice is to be given or by any person accepting such notice on behalf of such person, (b) in the case of delivery by U.S. mail, upon deposit in the mail and (c) in the case of delivery via telegram, cablegram, facsimile, electronic mail or other form of electronic transmission, when dispatched.

8.1.2 Electronic Transmission. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation, or these Bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given in accordance with Section 232 of the DGCL. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed revoked if (a) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent and (b) such inability becomes known to the Secretary or an Assistant Secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action. Notice given pursuant to this Section 8.1.2 shall be deemed given: (i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice; (ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of such posting and the giving of such separate notice; and (iv) if by any other form of electronic transmission, when directed to the stockholder.

8.1.3 **Affidavit of Giving Notice.** An affidavit of the Secretary or an Assistant Secretary or of the transfer agent or other agent of the Corporation that the notice has been given in writing or by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

**Section 8.2 Waiver of Notice.** Whenever notice is required to be given under any provision of the DGCL, the Certificate of Incorporation or these Bylaws, a written waiver of notice, signed by the person entitled to notice, or waiver by electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or members of a committee of directors need be specified in any waiver of notice.

## ARTICLE IX – MISCELLANEOUS

**Section 9.1 Fiscal Year.** The fiscal year of the Corporation shall be determined by resolution of the Board.

**Section 9.2 Seal.** The Board may provide for a corporate seal, which may have the name of the Corporation inscribed thereon and shall otherwise be in such form as may be approved from time to time by the Board.

**Section 9.3 Form of Records.** Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be kept on or by means of, or be in the form of, diskettes, CDs, or any other information storage device or method, provided that the records so kept can be converted into clearly legible paper form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to any provision of the DGCL.

**Section 9.4 Reliance upon Books and Records.** A member of the Board, or a member of any committee designated by the Board shall, in the performance of such person's duties, be fully protected in relying in good faith upon records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

**Section 9.5 Certificate of Incorporation Governs.** In the event of any conflict between the provisions of the Certificate of Incorporation and these Bylaws, the provisions of the Certificate of Incorporation shall govern.

**Section 9.6 Severability.** If any provision of these Bylaws shall be held to be invalid, illegal, unenforceable or in conflict with the provisions of the Certificate of Incorporation, then such provision shall nonetheless be enforced to the maximum extent possible consistent with such holding and the remaining provisions of these Bylaws (including without limitation, all

portions of any section of these Bylaws containing any such provision held to be invalid, illegal, unenforceable or in conflict with the Certificate of Incorporation, that are not themselves invalid, illegal, unenforceable or in conflict with the Certificate of Incorporation) shall remain in full force and effect.

#### ARTICLE X – AMENDMENT

**Section 10.1 By the Board.** In furtherance and not in limitation of the powers conferred by the DGCL, the Board is expressly authorized and empowered to adopt, alter, amend, rescind and repeal these Bylaws.

**Section 10.2 By the Stockholders.** Except as otherwise set forth in these Bylaws, these Bylaws may be altered, amended or repealed or new Bylaws may be adopted by the affirmative vote of the holders of at least a majority in voting power of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote at any annual meeting of stockholders, or at any special meeting of stockholders, provided notice of such alteration, amendment, repeal, rescission or adoption of new Bylaws shall have been stated in the notice of such special meeting.

**CERTIFICATION OF AMENDED AND RESTATED BYLAWS  
OF  
SYNDAX PHARMACEUTICALS, INC.**

a Delaware Corporation

I, John S. Pallies, certify that I am Secretary of Syndax Pharmaceuticals, Inc., a Delaware corporation (the “**Corporation**”), that I am duly authorized to make and deliver this certification, that the attached Bylaws are a true and complete copy of the Amended and Restated Bylaws of the Corporation in effect as of the date of this certificate.

Dated:

John S. Pallies, Secretary

ZQ/CERT#COY/CLS/RGSTRY/ACCT#|TRANSTYPE|RUN#|TRANS#


  
 100 BOULVARD, PHOENIX, AZ 85004-3044

CUSIP: XXXXXXXX 001 X  
 Holder ID: XXXXXXXXXXXX  
 Insurance Value: 1,000,000.00  
 Number of Shares: 123456  
 DTC: 12345678 123456789012345

Certificate Numbers	Num/No.	Dividen.	Total
12345678901234567890	1	1	1
12345678901234567890	2	2	2
12345678901234567890	3	3	3
12345678901234567890	4	4	4
12345678901234567890	5	5	5
12345678901234567890	6	6	6
12345678901234567890	6	6	6
<b>Total Transaction</b>	<b>7</b>	<b>7</b>	<b>7</b>

**COMMON STOCK**  
PAR VALUE \$0.0001

**Certificate Number**  
ZQ00000000



**SYNDAX PHARMACEUTICALS, INC.**  
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

THIS CERTIFIES THAT

**MR. SAMPLE & MRS. SAMPLE & MR. SAMPLE & MRS. SAMPLE**

is the owner of

**\*\*\*ZERO HUNDRED THOUSAND ZERO HUNDRED AND ZERO\*\*\***

FULLY-PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF

**Syndax Pharmaceuticals, Inc. (hereinafter called the "Company")**, transferable on the books of the Company in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby, are issued and shall be held subject to all of the provisions of the Certificate of Incorporation, as amended, and the Bylaws, as amended, of the Company (copies of which are on file with the Company and with the Transfer Agent), to all of which each holder, by acceptance hereof, assents. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

  
 President

  
 Secretary



DATED: 00-MM-YYYY

COUNTERSIGNED AND REGISTERED:  
**COMPUTERSHARE TRUST COMPANY, N.A.**  
TRANSFER AGENT AND REGISTRAR

By \_\_\_\_\_ AUTHORIZED SIGNATURE

**COMMON STOCK**  
THIS CERTIFICATE IS TRANSFERABLE IN CANTON, MA, JERSEY CITY, NJ AND COLLEGE STATION, TX

**Shares**  
\*\*\*\*\*  
\*\*\*\*\*  
\*\*\*\*\*  
\*\*\*\*\*  
\*\*\*\*\*

CUSIP 87164F 10 5  
SEE REVERSE FOR CERTAIN CONDITIONS

1234567

**SYNDAX PHARMACEUTICALS, INC.**

THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH SHAREHOLDER WHO SO REQUESTS, A SUMMARY OF THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OF THE COMPANY AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND RIGHTS, AND THE VARIATIONS IN RIGHTS, PREFERENCES AND LIMITATIONS DETERMINED FOR EACH SERIES, WHICH ARE FIXED BY THE CERTIFICATE OF INCORPORATION OF THE COMPANY, AS AMENDED, AND THE RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE COMPANY, AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO DETERMINE VARIATIONS FOR FUTURE SERIES. SUCH REQUEST MAY BE MADE TO THE OFFICE OF THE SECRETARY OF THE COMPANY OR TO THE TRANSFER AGENT. THE BOARD OF DIRECTORS MAY REQUIRE THE OWNER OF A LOST OR DESTROYED STOCK CERTIFICATE, OR HIS LEGAL REPRESENTATIVES, TO GIVE THE COMPANY A BOND TO INDEMNIFY IT AND ITS TRANSFER AGENTS AND REGISTRARS AGAINST ANY CLAIM THAT MAY BE MADE AGAINST THEM ON ACCOUNT OF THE ALLEGED LOSS OR DESTRUCTION OF ANY SUCH CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	UNIF GIFT MIN ACT - .....Custodian ..... (Minor)
TEN ENT - as tenants by the entireties	.....under Uniform Gifts to Minors Act..... (State)
JT TEN - as joint tenants with right of survivorship and not as tenants in common	UNIF TRF MIN ACT - .....Custodian (until age .....) (Cust) (Minor) .....under Uniform Transfers to Minors Act ..... (Minor) (State)

Additional abbreviations may also be used though not in the above list.

For value received, \_\_\_\_\_ hereby sell, assign and transfer unto PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

\_\_\_\_\_  
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE)

\_\_\_\_\_ Shares  
of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint \_\_\_\_\_ Attorney  
to transfer the said stock on the books of the within-named Company with full power of substitution in the premises.

Dated: \_\_\_\_\_ 20\_\_\_\_\_  
Signature: \_\_\_\_\_  
Signature: \_\_\_\_\_

**Signature(s) Guaranteed: Medallion Guarantee Stamp**  
THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions) WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17A-15.

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

SECURITY INSTRUCTIONS  
THIS IS WATERMARKED PAPER. DO NOT ACCEPT WITHOUT NOTING WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.



The IRS requires that we report the cost basis of certain shares acquired after January 1, 2011. If your shares were covered by the legislation and you have sold or transferred the shares and requested a specific cost basis calculation method, we have processed as requested. If you did not specify a cost basis calculation method, we have defaulted to the first in, first out (FIFO) method. Please visit our website or consult your tax advisor if you need additional information about cost basis.  
If you do not keep in contact with us or do not have any activity in your account for the time periods specified by state law, your property could become subject to state unclaimed property laws and transferred to the appropriate state.

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NEITHER THE SECURITY REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY JURISDICTION. THIS SECURITY AND THE SECURITIES ISSUABLE UPON ITS EXERCISE MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED, ASSIGNED, ENCUMBERED, HYPOTHECATED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (I) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES THAT IS EFFECTIVE UNDER SUCH ACT OR APPLICABLE STATE SECURITIES LAW, OR (II) ANY EXEMPTION FROM REGISTRATION UNDER SUCH ACT, OR APPLICABLE STATE SECURITIES LAW, RELATING TO THE DISPOSITION OF SECURITIES, INCLUDING RULE 144, AND, IF REQUESTED BY THE COMPANY, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY OPINING AS TO SUCH EXEMPTION.

THIS SECURITY IS SUBJECT TO THE PROVISIONS OF THE WARRANT AGREEMENT, DATED AS OF MARCH 26, 2007, BETWEEN THE COMPANY AND BAYER SCHERING PHARMA AG. A COPY OF SUCH WARRANT AGREEMENT IS AVAILABLE AT THE OFFICES OF THE COMPANY.

No.

Exercise Percentage

## SYNDAX PHARMACEUTICALS, INC.

## WARRANT CERTIFICATE

THIS CERTIFIES that Bayer Schering Pharma AG or its registered assigns is the registered holder (the "Registered Holder") of a Warrant representing the right to purchase the number, as determined below, of fully paid and nonassessable shares of common stock, par value \$0.0001 per share (the "Common Stock"), of Syndax Pharmaceuticals, Inc. (the "Company"), a corporation organized under the laws of the State of Delaware at the Exercise Price at the times specified in the Warrant Agreement (as hereinafter defined), by surrendering this Warrant Certificate, with the form of Election to Purchase attached hereto duly executed together with the Investment Representation Statement annexed to the Warrant Agreement as Exhibit B and by paying in full the Exercise Price for the number of shares of Common Stock equal to the Exercise Amount. Payment of the Exercise Price shall be made as set forth in the Warrant Agreement. Upon initial issuance this Warrant Certificate represents the right to acquire, upon exercise in full, such number of shares of Common Stock as is issuable upon an exercise of the Warrant as to the Exercise Percentage specified herein.<sup>1</sup>

<sup>1</sup> (i) In the case of a Warrant Certificate issued after a partial exercise, replace the Exercise Percentage specified herein with the amount equal to the Exercise Percentage specified herein minus the Exercise Percentage being exercised; (ii) in the case of Warrant Certificates issued on transfer, (x) use the transferred Exercise Percentage for the transferee and (y) replace the Exercise Percentage specified herein with the remaining Exercise Percentage for the transferor and (iii) in the case of Warrant Certificates issued after a transfer and a subsequent partial exercise, replace the Exercise Percentage specified herein with the Exercise Percentage of the Warrant Certificate immediately after the transfer reduced by the percentage of the Exercise Percentage exercised in the partial exercise.



No Warrant may be exercised after the Expiration Date. The Warrant evidenced hereby shall thereafter become void, subject to the terms of the Warrant Agreement.

Prior to the Expiration Date, subject to Section 3.05 of the Warrant Agreement and any applicable laws, rules or regulations restricting transferability and to any restriction on transferability that may appear on this Warrant Certificate and in accordance with the terms of the Warrant Agreement, the Registered Holder shall be entitled to transfer this Warrant Certificate, in whole or in part, upon surrender of this Warrant Certificate at the principal office of the Company with the form of assignment set forth hereon duly executed; provided that, (i) for transfers made to a Person other than an Affiliate, written notice is given to the Company at least 10 Business Days before the transfer and the transferor shall provide, at the Company's request, an opinion of counsel reasonably satisfactory to the Company that such transfer does not require registration under the Securities Act, (ii) the transfer shall be for a portion of this Warrant Certificate not less than the Minimum Exercise Threshold, (iii) the Holder shall provide written notice to the Company of any transfer to an Affiliate within 10 Business Days after the transfer, and (iv) the transferee shall agree to be bound by the terms of this Agreement; provided further that for purposes of this proviso, Affiliate shall not include any Person which is an individual. Written notice given under this paragraph shall include without limitation the name of the transferee, the Exercise Percentage transferred to such transferee, the date of the transfer and the transferee's address for notice purposes. Upon any such transfer, a new Warrant Certificate or Warrant Certificates will be issued to (x) the transferee representing a Warrant for the Exercise Percentage specified in the foregoing written notice in accordance with instructions in the form of assignment and (y) the transferor representing a Warrant for the remaining Exercise Percentage not transferred, if any.

Upon the exercise of a Warrant for less than all of the Exercise Percentage evidenced by this Warrant Certificate, there shall be issued to the Registered Holder a new Warrant Certificate in respect of the portion of the Exercise Percentage not exercised.

Prior to the Expiration Date, the Registered Holder shall be entitled to exchange this Warrant Certificate, with or without other Warrant Certificates, for another Warrant Certificate or Warrant Certificates for a Warrant or Warrants for the same aggregate Exercise Percentage upon surrender of this Warrant Certificate at the principal office of the Company, subject to the terms of the Warrant Agreement.

Upon certain events provided for in the Warrant Agreement, the Exercise Price and the shares of Common Stock issuable upon the exercise of each Warrant shall be adjusted as provided in the Warrant Agreement.

This Warrant Certificate is issued under and in accordance with the Warrant Agreement dated as of March 26, 2007 (the "Warrant Agreement"), between the Company and Bayer Schering Pharma AG and is subject to the terms and provisions contained in the Warrant Agreement. All capitalized terms not defined herein shall have the meanings given such terms as set forth in the Warrant Agreement.

This Warrant Certificate shall not entitle the Registered Holder to any of the rights of a stockholder of the Company, including, without limitation, the right to vote, to receive dividends

and other distributions, or to attend or receive any notice of meetings of stockholders or any other proceedings of the Company.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed as of the date set forth below.

Date:

SYNDAX PHARMACEUTICALS, INC.

By: \_\_\_\_\_

Name:

Title:

[Form of Assignment]

FOR VALUE RECEIVED, the undersigned hereby irrevocably sells, assigns and transfers unto the Assignee named below all of the rights of the undersigned represented by the within Warrant Certificate, with respect to the number of Warrant Shares issuable upon exercise of the Warrant for the Exercise Percentage set forth below:

Name of Assignee	Address	Exercise Percentage
------------------	---------	---------------------

and does hereby irrevocably constitute and appoint true and lawful Attorney, to make such transfer on the books of **Syndax Pharmaceuticals, Inc.** maintained for that purpose, with full power of substitution in the premises.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

(Signature must confirm in all respects to the name of holder as specified on the face of the Warrant Certificate.)

The undersigned hereby irrevocably elects to exercise the Warrant represented by this Warrant Certificate as to an Exercise Percentage of %<sup>2</sup>, which represents an Exercise Amount of <sup>3</sup> shares of Common Stock of **Syndax Pharmaceuticals, Inc.** (the “Company”), based on the number of shares of Common Stock outstanding on a Fully Diluted Basis equal to <sup>4</sup> shares, and requests that certificates for such shares be issued and delivered as follows:

ISSUE TO: \_\_\_\_\_  
(NAME)

\_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

\_\_\_\_\_  
(SOCIAL SECURITY OR OTHER IDENTIFICATION NUMBER)

DELIVER TO: \_\_\_\_\_  
(NAME)

at \_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

In full payment of the purchase price with respect to the exercise of Warrants, the undersigned:

- hereby tenders payment of \$ \_\_\_\_\_ by cash, certified check, cashier’s check or money order payable in United States currency to the order of the Company; or
- hereby delivers to the Company for cancellation the portion of the Warrant representing that number of Warrant Shares otherwise issuable to the holder, such that the excess of the aggregate current Fair Market Value of such specified number of Warrant Shares on the Date of Exercise over the portion of the Exercise Price attributable to such specified number of Warrant Shares shall equal the aggregate Exercise Price attributable to the Warrant Shares being purchased.

<sup>2</sup> Holder shall fill in the applicable permitted Exercise Percentage.

<sup>3</sup> The Company shall fill in the Exercise Amount.

<sup>4</sup> The Company shall fill in the number of outstanding shares of Common Stock on a Fully Diluted Basis (which shall become fixed on the IPO Date).

If the Warrant hereby exercised is less than the whole Warrant represented by this Warrant Certificate, the undersigned requests that a new Warrant Certificate representing the portion of the Warrant not exercised be issued and delivered as follows:

ISSUE TO: \_\_\_\_\_  
(NAME)

\_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

\_\_\_\_\_  
(SOCIAL SECURITY OR OTHER IDENTIFICATION NUMBER)

DELIVER TO: \_\_\_\_\_  
(NAME)

at \_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

Date: \_\_\_\_\_,

\_\_\_\_\_  
Signature

(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate.)

PLEASE INSERT SOCIAL SECURITY OR TAX I.D. NUMBER OF HOLDER

\_\_\_\_\_

**SYNDAX PHARMACEUTICALS, INC.**  
**THIRD AMENDED AND RESTATED**  
**INVESTORS' RIGHTS AGREEMENT**

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## THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "Agreement") is effective as of August 21, 2015 pursuant to the amendment provisions of Subsection 7.7 of that certain Second Amended and Restated Investors' Rights Agreement dated June 1, 2015 (the "Prior Agreement"), by and among Syndax Pharmaceuticals, Inc., a Delaware corporation (the "Company"), the investors listed on Exhibit A (each individually, an "Investor" and collectively, the "Investors"), Eckard Weber Living Trust UTA, Ronald Evans, Ph.D., Peter Ordentlich, Ph.D., Michael Downes, Ph.D. and Richard Heyman, Ph.D. (each individually, a "Stockholder" and collectively, the "Stockholders") and Bayer Pharma AG (formerly known as Bayer Schering Pharma AG), a corporation organized under the laws of the Federal Republic of Germany ("Bayer"), and with regard to Bayer, only with respect to Subsection 2.6, Subsection 2.7 and any other provisions of this Agreement applicable thereto.

### RECITALS

WHEREAS, certain Investors are purchasing shares of Series C-1 Preferred Stock of the Company (the "Series C-1 Preferred Stock") pursuant to that certain Series C-1 Preferred Stock Purchase Agreement dated as of even date herewith (the "Purchase Agreement");

WHEREAS, the amendment and restatement of the Prior Agreement in the manner set forth in this Agreement is a condition to closing under the Purchase Agreement;

WHEREAS, the parties to the Prior Agreement (the "Existing Investors") desire to amend and restate the Prior Agreement and to accept the rights and covenants hereof in lieu of their rights and covenants under the Prior Agreement; and

WHEREAS, the Existing Investors who are signatories to this Agreement hold the requisite power and authority pursuant to Subsection 7.7 of the Prior Agreement to effectuate the amendment and restatement of the Prior Agreement and enter into this Agreement as set forth herein.

NOW, THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Existing Investors hereby agree that the Prior Agreement is amended, restated and superseded in its entirety by this Agreement, and the parties to this Agreement further agree as follows:

### AGREEMENT

#### SECTION 1

[Intentionally Omitted.]

## SECTION 2

### REGISTRATION RIGHTS; RESTRICTIONS ON TRANSFERABILITY

2.1 Certain Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

“Affiliate” shall mean with respect to any specified Person, any other Person who, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Person, including without limitation any parent, subsidiary, affiliate of parent, general partner, managing member, officer or director or employee of such Person or any venture capital or other investment fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company or investment advisor (or sub-advisor) with, such Person.

“Commission” shall mean the U.S. Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

“Common Stock” shall mean the common stock of the Company, par value \$0.0001 per share.

“Conversion Shares” shall mean the Common Stock issued or issuable upon conversion of the Shares.

“Holder” shall mean any Investor owning or having the right to acquire Registrable Securities or any assignee thereof in accordance with Subsection 2.14 hereof; provided, however, that with respect to Subsection 2.6 hereof and other provisions of this Agreement applicable to a registration pursuant to such subsection, in addition to the foregoing definition, “Holder” shall also mean the Stockholders and Bayer; provided, further, that with respect to Subsection 2.7 hereof and other provisions of this Agreement applicable to a registration pursuant to such subsection, in addition to the foregoing definition, “Holder” shall also mean Bayer.

“Initiating Holders” shall mean the Investor or transferees of the Investor under Subsection 2.14 hereof who in the aggregate are Holders of not less than thirty-five percent (35%) of the outstanding Registrable Securities.

“Major Holder” shall mean: (i) the Investor or transferees of the Investor under Subsection 2.14 hereof who in the aggregate are Holders of not less than five percent (5%) of the fully-diluted shares of the Company on an as-converted basis (as adjusted for any stock splits, consolidations and the like); and (ii) for purposes of Subsections 5.1 and 5.2 only, BMV Direct II LP, provided, however, that BMV Direct II LP shall no longer be deemed a “Major Holder” on the date on which it no longer holds Registrable Securities.

“MF Holder” shall mean an (i) Investor that is a registered investment company within the meaning of the Investment Company Act of 1940, as amended, that is listed on Exhibit B (which Exhibit may be updated from time to time by the Company) and (ii) Jennison Global Healthcare Master Fund, Ltd. and its Affiliates.

“Person” shall mean an individual, a corporation, a partnership, a trust or unincorporated organization or any other entity or organization.

“Preferred Stock” shall mean the Series A Preferred Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C-1 Preferred Stock of the Company.

“Prime Preferred Stock” shall mean the Series A-1 Preferred Stock, Series B-1 Preferred Stock and the Series C-1 Preferred Stock of the Company.

The terms “register,” “registered” and “registration” refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

“Registrable Securities” means (a) the Conversion Shares, (b) all shares of Common Stock owned by the Investors, (c) any Common Stock issued (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as a dividend or other distribution with respect to, or in exchange for, or in replacement of, the Common Stock described in clauses (a) or (b) hereof; provided, however, that with respect to Subsection 2.6 hereof and other provisions’ of this Agreement applicable to a registration pursuant to such subsection, in addition to the foregoing definition, “Registrable Securities” shall also mean all shares of Common Stock owned by the Stockholders and Bayer; provided further, that with respect to Subsection 2.7 hereof and other provisions of this Agreement applicable to a registration pursuant to such subsection, in addition to the foregoing definition, “Registrable Securities” shall also mean all shares of Common Stock owned by Bayer.

“Registration Expenses” shall mean all reasonable expenses incurred by the Company in complying with Subsections 2.5, 2.6 and 2.7 hereof, including, without limitation, all registration, qualification and filing fees, printing expenses, escrow fees, fees and disbursements of counsel for the Company, blue sky fees and expenses, the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company) and all reasonable fees and disbursements of (a) one special counsel for all of the Holders who elect to include their Registrable Securities in any such registration and (b) one special counsel for Bayer if it elects to include its Registrable Securities in any such registration.

“Restricted Securities” shall mean the securities of the Company required to bear the legend set forth in Subsection 2.3 hereof.

“Securities Act” shall mean the Securities Act of 1933, as amended, or any similar or successor federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

“Selling Expenses” shall mean all underwriting discounts, selling commissions and stock transfer taxes applicable to the securities registered by the Holders.

“Shares” shall mean shares of the Preferred Stock.

“Warrant Agreement” shall mean the Warrant Agreement between the Company and Bayer, dated March 26, 2007.

**2.2 Restrictions.** The Shares and the Conversion Shares shall not be sold, assigned, transferred or pledged except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. The Investor will cause any proposed purchaser, assignee, transferee or pledgee of the Shares and the Conversion Shares to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement.

2.3 Restrictive Legend. Each certificate representing (a) the Shares, (b) the Conversion Shares, and (c) any other securities issued in respect of the securities referenced in clauses (a) and (b) upon any stock split, stock dividend, recapitalization, merger, consolidation or similar event, shall (unless otherwise permitted by the provisions of Subsection 2.4 below) be stamped or otherwise imprinted with a legend in substantially the following form (in addition to any legend required under applicable state securities laws):

“THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE SHARES MAY NOT BE SOLD, TRANSFERRED OR PLEDGED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SAID ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED OR UNLESS SOLD PURSUANT TO RULE 144 OF SUCH ACT.”

“THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AGREEMENTS BETWEEN THE COMPANY AND THE ORIGINAL STOCKHOLDER, COPIES OF WHICH ARE ON FILE WITH THE SECRETARY OF THE COMPANY.”

Each Holder consents to the Company making a notation on its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer established in this Section 2.

2.4 Notice of Proposed Transfers. The holder of each certificate representing Restricted Securities, by acceptance thereof, agrees to comply in all respects with the provisions of this Section 2. Prior to any proposed sale, assignment, transfer or pledge of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transfer, the holder thereof shall give written notice to the Company of such holder's intention to effect such transfer, sale, assignment or pledge. Each such notice shall describe the manner and circumstances of the proposed transfer, sale, assignment or pledge in sufficient detail, and shall be accompanied at such holder's expense by either (a) an unqualified written opinion of legal counsel who shall, and whose legal opinion shall be, reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transfer of the Restricted Securities may be effected without registration under the Securities Act, or (b) a “no action” letter from the Commission to the effect that the transfer of such securities without registration will not result in a recommendation by the staff of the Commission that action be taken with respect thereto, or (c) any other evidence reasonably satisfactory to counsel to the Company, whereupon the holder of such Restricted Securities shall be entitled to transfer such Restricted Securities in accordance with the terms of the notice delivered by the holder to the Company. The Company will not require such a legal opinion or “no action” letter (x) in any transaction in compliance with Rule 144, (y) in any transaction in which an Investor which is a corporation distributes Restricted Securities solely to its Affiliates for no consideration, or (z) in any transaction in which an Investor which is a partnership distributes Restricted Securities solely to its partners, limited partners, retired partners, members or retired members for no consideration; provided that each transferee agrees in writing to be subject to the terms of this Section 2. Each certificate evidencing the Restricted Securities transferred as above provided shall bear, except if such transfer is made pursuant to Rule 144, the appropriate restrictive legends set forth in this Section 2, except that such certificate shall not bear such restrictive legend if, in the opinion of counsel for such holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act or this Agreement.

## 2.5 Requested Registration.

(a) In case the Company shall receive from Initiating Holders a written request that the Company effect any registration, qualification or compliance with respect to the Registrable Securities, the Company will:

(i) promptly give written notice of the proposed registration, qualification or compliance to all other Holders; and

(ii) as soon as practicable and in any event within ninety (90) days after receipt of such written request, use its commercially reasonable best efforts to effect such registration, qualification or compliance (including, without limitation, the execution of an undertaking to file post-effective amendments, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the Securities Act and any other governmental requirements or regulations) as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request received by the Company within twenty (20) days after receipt of the written notice from the Company; provided, however, that the Company shall not be obligated to take any action to effect any such registration, qualification or compliance pursuant to this Subsection 2.5:

(A) In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification or compliance unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(B) Prior to twelve (12) months after the effective date of the Company's initial public offering;

(C) After the Company has effected two (2) such registrations pursuant to this subparagraph 2.5(a), such registration has been declared or ordered effective and the securities offered pursuant to each such registration have been sold; provided that all Registrable Securities requested for inclusion were in fact included in such registration. The Company shall not be obligated to effect more than two registration statements in any twelve (12) month period;

(D) During the period starting with the date sixty (60) days prior to the Company's good faith estimate of the date of filing of, and ending on a date one hundred eighty (180) days after the effective date of, a registration initiated by the Company; provided that the Company is actively employed in good faith in all commercially reasonable best efforts to cause such registration statement to become effective and provided further that the rights of the Initiating Holders to include Registrable Securities for registration in the Company's registration shall be governed by Subsection 2.6 hereof; or

(E) If such registration, qualification or compliance involves securities with an aggregate value less than Ten Million Dollars (\$10,000,000).

Subject to the foregoing clauses (A) through (E), the Company shall file a registration statement covering the Registrable Securities so requested to be registered as soon as practicable after receipt of the request or requests of the Initiating Holders; provided, however, that if (i) in the good faith judgment of the board of directors of the Company (the "Board"), such registration would be seriously detrimental to the Company and the Board concludes, as a result, that it is essential to defer the filing of such registration statement at such time, and (ii) the Company shall furnish to such Holders a certificate signed by the President of the Company stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company for such registration statement to be filed in the near future and that it is, therefore, essential to defer

the filing of such registration statement, then the Company shall have the right to defer such filing (except as provided in clause (D) above) for up to two (2) periods of not more than sixty (60) days each after receipt of the request of the Initiating Holders, and provided further, that the Company shall not defer its obligation in this manner more than once in any twelve-month period.

(b) Underwriting. In the event that a registration pursuant to Subsection 2.5 is for a registered public offering involving an underwriting, the Company shall so advise the Holders as part of the notice given pursuant to Subsection 2.5(a)(i). The right of any Holder to registration pursuant to Subsection 2.5 shall be conditioned upon such Holder's participation in the underwriting arrangements required by this Subsection 2.5 and the inclusion of such Holder's Registrable Securities in the underwriting, to the extent requested and provided herein.

The Company shall (together with all Holders proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form with the managing underwriter selected for such underwriting by a majority in interest of the Initiating Holders (which managing underwriter shall be reasonably acceptable to the Company). Notwithstanding any other provision of this Subsection 2.5, if the managing underwriter advises the Initiating Holders in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Company shall so advise all Holders of Registrable Securities and the number of shares of Registrable Securities that may be included in the registration and underwriting shall be allocated among all Holders thereof in proportion, as nearly as practicable, to the respective amounts of Registrable Securities held by such Holders at the time of filing the registration statement. No Registrable Securities excluded from the underwriting by reason of the underwriter's marketing limitation shall be included in such registration. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares.

If any Holder of Registrable Securities disapproves of the terms of the underwriting, such person may elect to withdraw therefrom by written notice to the Company, the managing underwriter and the Initiating Holders. The Registrable Securities or other securities so withdrawn shall also be withdrawn from registration, and such Registrable Securities shall not be transferred in a public distribution prior to ninety (90) days (one hundred eighty (180) days in the case of the Company's initial public offering) after the date of the final prospectus used in such public offering.

## 2.6 Company Registration.

(a) Notice of Registration. If at any time or from time to time, the Company shall determine to register any of its securities, either for its own account or the account of a security holder or holders exercising their respective demand registration rights other than (i) a registration relating solely to employee benefit plans, or (ii) a registration relating solely to a merger, acquisition or exchange, or (iii) a registration relating to convertible debt transaction, the Company will:

(i) promptly give to each Holder written notice thereof; and

(ii) include in such registration (and any related qualification under blue sky laws or other compliance), and in any underwriting involved therein, all the Registrable Securities specified in a written request or requests made within twenty (20) days after receipt of such written notice from the Company by any Holder, but only to the extent that such inclusion will not diminish the number of securities included by the Company or by Holders of the Company's securities who have demanded such registration and further subject to the underwriter's right to limit the number of securities included in the registration as set forth in Subsection 2.6(b) below.

(b) Underwriting. If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to Subsection 2.6(a)(i). In such event, the right of any Holder to registration pursuant to Subsection 2.6 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company and the other Holders distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the managing underwriter selected for such underwriting by the Company (or by the Holders who have demanded such registration, as the case may be). Notwithstanding any other provision of this Subsection 2.6, if the managing underwriter determines in its sole discretion that marketing factors require a limitation of the number of shares to be underwritten, the managing underwriter may limit the number of Registrable Securities to be included in the registration and underwriting, on a pro rata basis based on the total number of securities (including, without limitation, Registrable Securities owned by each participating Holder) entitled to be included in such registration; but in no event shall the amount of securities of the participating Holders included in the offering be reduced below thirty percent (30%) of the total amount of securities included in such offering, unless such offering is the initial public offering of the Company's securities, in which case the participating Holders may be entirely excluded if the managing underwriter makes the determination described above and no other stockholder's securities are included. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder or other holder to the nearest one hundred (100) shares. If any Holder or other holder disapproves of the terms of any such underwriting, he or she may elect to withdraw therefrom by written notice to the Company and the managing underwriter. Any securities excluded or withdrawn from such underwriting shall be withdrawn from such registration, and shall not be transferred in a public distribution prior to ninety (90) days (one hundred eighty (180) days in the case of the Company's initial public offering) after the date of the final prospectus included in the registration statement relating thereto.

(c) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Subsection 2.6 prior to the effectiveness of such registration, whether or not any Holder has elected to include securities in such registration.

### 2.7 Registration on Form S-3.

(a) If any Holder or Holders of at least twenty percent (20%) of the then outstanding Registrable Securities or Bayer or any assignee thereof in accordance with the Warrant Agreement requests that the Company file a registration statement on Form S-3 (or any successor form to Form S-3) for a public offering of shares of the Registrable Securities, the reasonably anticipated aggregate price to the public of which, net of underwriting discounts and commissions, would exceed One Million Dollars (\$1,000,000), and the Company is a registrant entitled to use Form S-3 to register the Registrable Securities for such an offering, the Company shall use its commercially reasonable best efforts to cause such Registrable Securities to be registered for the offering on such form. The Company will (i) promptly give written notice of the proposed registration to all other Holders, and (ii) as soon as practicable, but in no event later than sixty (60) days following the request, use its commercially reasonable best efforts to effect such registration (including, without limitation, the execution of an undertaking to file post-effective amendments, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the Securities Act and any other governmental requirements or regulations) as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request received by the Company within twenty (20) days after receipt of written notice from the Company. The substantive provisions of Subsection 2.5(b) shall be applicable to each registration initiated under this Subsection 2.7.

(b) Notwithstanding the foregoing, the Company shall not be obligated to take any action pursuant to this Subsection 2.7: (i) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification or compliance unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act; (ii) in a given twelve month period, after the Company has effected two (2) such registrations pursuant to subparagraph 2.7(a); or (iii) if the Company shall furnish to such Holders a certificate signed by the President of the Company stating that, in the good faith judgment of the Board, it would be seriously detrimental to the Company or its stockholders for registration statements to be filed in the near future, then the Company's obligation to use its commercially reasonable best efforts to file a registration statement shall be deferred for up to two periods of sixty (60) days each, such sixty (60) day periods not to exceed one hundred twenty (120) days from the receipt of the request to file such registration by such Holder or Holders. The Company shall not defer its obligation in this manner more than once in any twelve-month period.

2.8 Corporate Transaction. In the event of a Corporate Transaction, the Company shall use reasonable efforts to cause the registration rights described under this Section 2 to be assumed or equivalent registration rights to be substituted by a successor corporation or a parent or subsidiary of such successor corporation in writing: "Corporate Transaction" means a sale of all or substantially all of the Company's assets or a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, entity or person or a sale of capital stock such that the stockholders immediately prior to such sale possess less than fifty percent (50%) of the voting power immediately after such sale; provided, however, that (a) the provisions of this Subsection 2.8 may be waived by the holders of at least sixty percent (60%) of the then outstanding Registrable Securities and Bayer and (b) the provisions of this Subsection 2.8 shall not apply in the event of any Corporate Transaction if all Holders are entitled to receive in exchange for their Registrable Securities consideration consisting solely of (i) cash or (ii) securities of the acquiring corporation which may be immediately sold to the public without registration under the Securities Act.

2.9 Expenses of Registration. All Registration Expenses, including the reasonable fees and expenses of not more than one special counsel to the Holders, incurred in connection with registrations pursuant to Subsections 2.5, 2.6 and 2.7 shall be borne by the Company, provided that the Company shall not be required to pay the Registration Expenses of any registration proceeding begun pursuant to Subsection 2.5, the request of which has been subsequently withdrawn by the Initiating Holders. In such case, (i) the Holders of Registrable Securities to have been registered shall bear all such Registration Expenses pro rata on the basis of the number of shares to have been registered and (ii) the Company shall be deemed not to have effected a registration pursuant to subparagraph 2.5(a) of this Agreement. Notwithstanding the foregoing, however, if at the time of the withdrawal, the Holders have learned of a material adverse change in the condition, business or prospects of the Company from that known to the Holders at the time of their request, of which the Company had knowledge at the time of the request, then the Holders shall not be required to pay any of such Registration Expenses, all of which shall be borne by the Company. In such case, the Company shall be deemed not to have effected a registration pursuant to subparagraph 2.5(a) of this Agreement. Unless otherwise stated, all Selling Expenses relating to securities registered on behalf of the Holders shall be borne by the Holders of the registered securities included in such registration pro rata on the basis of the number of shares so registered.

2.10 Registration Procedures. In the case of each registration, qualification or compliance effected by the Company pursuant to this Section 2, the Company will keep each Holder advised in writing as to the initiation of each registration, qualification and compliance and as to the completion thereof. The Company will:

(a) Prepare and file with the Commission a registration statement with respect to the Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become and remain effective for at least one hundred twenty (120) days or until the distribution described in the registration statement has been completed; provided, however, that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period that the Holder refrains from selling any securities included in such registration at the request of the Company or an underwriter of the Common Stock (or any other securities) of the Company and (ii) in the case of any registration on Form S-3 which is intended to be offered on a continuous or delayed basis, such one hundred twenty (120) day period shall be extended, if necessary, to keep the registration statement effective until all such Registrable Securities are sold, provided that Rule 415, or any successor rule under the Securities Act, permits an offering on a continuous or delayed basis, and provided further that applicable rules under the Securities Act governing the obligation to file a post-effective amendment permit, in lieu of filing a post-effective amendment which includes (A) any prospectus required by Section 10(a)(3) of the Securities Act or (B) reflects facts or events representing a material or fundamental change in the information set forth in the registration statement, the incorporation by reference of information required to be included in (a) and (b) above to be contained in periodic reports filed pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") in the registration statement;



(b) Furnish to the Holders participating in such registration and to the underwriters of the securities being registered such reasonable number of copies of the registration statement and amendments and supplements thereto, preliminary prospectus, final prospectus and such other documents as such underwriters may reasonably request in order to facilitate the public offering of such securities;

(c) Cause all such Registrable Securities registered hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(d) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(e) Provide transfer agent and registrar for all Registrable Securities registered pursuant to such registration statement and a CUSIP number for all such Registrable Securities, in each case not later than effective date of such registration;

(f) Prepare and file amendments of or supplements to the registration statement or prospectus necessary to comply with the Securities Act with respect to disposition of the Registrable Securities covered by such registration statement;

(g) Use all commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions unless the Company is already qualified to do business or subject to service of process in that jurisdiction;

(h) Use its best efforts to furnish, at the request of any Holder requesting registration of Registrable Securities pursuant to this Subsection 2.10, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to this Subsection 2.10, if such securities are being sold through underwriters, (i) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters and (ii) a letter dated such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters;

(i) Make generally available to its security holders, and to deliver to each Holder participating in the registration statement, an earnings statement of the Company that will satisfy the provisions of Section 11(a) of the Securities Act covering a period of 12 months beginning after the effective date of such registration statement as soon as reasonably practicable after the termination of such 12-month period; and

(j) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering. Each Holder and other security holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

## 2.11 Indemnification.

(a) The Company will indemnify each Holder, each of its officers and directors and partners, and each person controlling such Holder within the meaning of Section 15 of the Securities Act, with respect to which registration, qualification or compliance has been effected pursuant to this Section 2, and each underwriter, if any and each person who controls any underwriter within the meaning of Section 15 of the Securities Act, against all expenses, claims, losses, damages or liabilities (or actions in respect thereof), including any of the foregoing incurred in settlement of any litigation, commenced or threatened, arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, offering circular or other document, or any amendment or supplement thereto, incident to any such registration, qualification or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, or any violation by the Company of any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities laws applicable to the Company in connection with any such registration, qualification or compliance, and the Company will reimburse each such Holder, each of its officers and directors, and each person controlling such Holder, each such underwriter and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action, as such expenses are incurred, provided that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue statement or omission or alleged untrue statement or omission, made in reliance upon and in conformity with written information furnished to the Company by an instrument duly executed by such Holder, controlling person or underwriter and stated to be specifically for use therein.

(b) Each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration, qualification or compliance is being effected, severally, but not jointly, indemnify the Company, each of its directors and officers, each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter

within the meaning of Section 15 of the Securities Act, and each other such Holder, each of its officers and directors and each person controlling such Holder within the meaning of Section 15 of the Securities Act, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement, prospectus, offering circular or other document, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and will reimburse the Company, such Holders, such directors, officers, persons, underwriters or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, as such expenses are incurred, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by an instrument duly executed by such Holder and stated to be specifically for use therein; provided, however, that in no event shall any indemnity under this Subsection 2.11(b) exceed the net proceeds from the offering received by such Holder unless such liability arises out of or is based upon the willful misconduct by such Holder.

(c) If the indemnification provided for in this Subsection 2.11 is held by a court of competent jurisdiction to be unavailable to a party entitled to indemnification under this Subsection 2.11 (the “Indemnified Party”) with respect to any loss, liability, claim, damage or expense referred to herein, then the party required to provide indemnification (the “Indemnifying Party”), in lieu of indemnifying such Indemnified Party hereunder, instead shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties’ relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

(d) Each Indemnified Party shall give notice to the Indemnifying Party promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party’s expense; provided, however, that an Indemnified Party (together with all other Indemnified Parties which may be represented without conflict by one counsel) shall have the right to retain its own separate counsel with the reasonable fees and expenses to be paid by the Indemnifying Party if the Indemnified Party reasonably determines that representation of such Indemnified Party would be appropriate due to actual or potential differing interests between such Indemnified Party and any other party represented by such counsel in such proceeding. The failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 2 unless the failure to give such notice is materially prejudicial to an Indemnifying Party’s ability to defend such action. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect of such claim or litigation.

2.12 Information by Holder. The Holder or Holders of Registrable Securities included in any registration shall furnish to the Company such information regarding such Holder or Holders, the Registrable Securities held by them and the distribution proposed by such Holder or Holders as the Company may reasonably request in writing and as shall be required in connection with any registration, qualification or compliance referred to in this Section 2.

2.13 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission which may at any time permit the sale of the Restricted Securities to the public without registration, after such time as a public market exists for the Common Stock of the Company, the Company agrees to use its commercially reasonable best efforts to:

(a) Make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times after the effective date that the Company becomes subject to the reporting requirements of the Exchange Act;

(b) File with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements); and

(c) So long as an Investor owns any Restricted Securities, to furnish to the Investor forthwith upon request a written statement by the Company as to its compliance with the reporting requirements of said Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company for an offering of its securities to the general public) and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), a copy of the most recent annual or quarterly report of the Company, and such other reports and documents of the Company and other information in the possession of or reasonably obtainable by the Company as an Investor may reasonably request in availing itself of any rule or regulation of the Commission allowing an Investor to sell any such securities without registration.

2.14 Transfer of Registration Rights. The rights to cause the Company to register securities granted Investors under Subsections 2.5, 2.6 and 2.7 may only be assigned to (i) a transferee or assignee who acquires at least sixty-six percent (66%) of an original Holder's Registrable Securities as of the date hereof (subject to adjustment for stock splits, reverse stock splits, stock dividends and other similar transactions), (ii) any other Investor who has such registration rights, (iii) any assignee of Bayer in accordance with the Warrant Agreement, (iv) any affiliated fund of any Holder that is a partnership or limited liability company, (v) any partner or retired partner of any Holder which is a partnership or member or retired member of any Holder which is a limited liability company, (vi) any family member or trust for the benefit of any individual Holder or (vii) as provided by restrictions required by law; provided in each case that prompt written notice of such assignment is given to the Company and such assignee agrees to be bound by the provisions of this Agreement.

2.15 Market Stand-off Agreement. Each Holder agrees in connection with the initial public offering of the Company's securities (other than a registration of securities in a Rule 145 transaction or with respect to an employee benefit plan) that, upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, not to sell, make any short sale of, loan, grant any option for the purchase of, pledge, hypothecate, limit such Holder's market risk regarding or otherwise directly or indirectly dispose of any Registrable Securities (other than those included in the registration) or other capital stock of the Company or securities exchangeable or convertible into capital stock of the Company without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days from the date of the final prospectus used in such registration) as may be

requested by the Company or such managing underwriters, and to enter into a lock-up agreement in customary form with such underwriters providing for restrictions approved by the Board, provided that all officers and directors of the Company and holders of at least one percent (1%) of the Company's voting securities are bound by and have entered into similar agreements, except as otherwise set forth herein. Notwithstanding the foregoing, Fidelity Research and Management Company and its Affiliates will only be subject to the foregoing provisions of this Subsection 2.15 with regards to any Registrable Securities held immediately before the effective date of the registration statement of the initial public offering. In the event of any early release of portions of the securities subject to such lock-up agreements, all Holders will be released on a pro rata basis from such agreements. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Holders subject to such agreements, based on the number of shares subject to such agreements. The certificates for the (a) Shares, (b) Conversion Shares, (c) any New Securities and (d) any other securities issued in respect of the securities referenced in clauses (a), (b) and (c) upon any stock split, stock dividend, recapitalization, merger, consolidation or similar event shall contain, for so long as such market stand-off provision remains in place, a legend in substantially the following form:

“THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER INCLUDING A MARKET STAND-OFF AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL STOCKHOLDER THAT PROHIBITS SALE OR TRANSFER OF SUCH SHARES FOR A PERIOD OF UP TO 180 DAYS FOLLOWING THE DATE OF THE FINAL PROSPECTUS FOR THE INITIAL PUBLIC OFFERING OF THE ISSUER'S COMMON STOCK. THIS AGREEMENT IS BINDING UPON TRANSFEREES. A COPY OF THE AGREEMENT IS ON FILE WITH THE SECRETARY OF THE ISSUER.”

2.16 Termination of Rights. The rights of any particular Holder or permitted transferee thereof to cause the Company to register securities under Subsections 2.5, 2.6 and 2.7 shall terminate with respect to such Holder on the earlier of: (a) the date when such Holder can sell all of its Registrable Securities in a single transaction pursuant to Rule 144 of the Securities Act, (b) the three (3) year anniversary of the effective date of the Company's initial public offering, or (c) a Liquidating Transaction (as defined in the Company's Thirteenth Amended and Restated Certificate of Incorporation, as amended from time to time (the “Charter”)).

### SECTION 3

#### RIGHT OF FIRST OFFER

3.1 Right of First Offer. Subject to the terms and conditions contained in this Section 3, the Company hereby grants to each Investor holding Prime Preferred Stock (each an “RFO Holder”) the right of first offer (the “Right of First Offer”) to purchase its Pro Rata Portion (as defined below) of any New Securities (as defined in Subsection 3.2) which the Company may, from time to time, propose to sell and issue. RFO Holder's “Pro Rata Portion” for purposes of this Section 3 is equal to (x) the sum of the number of shares of the Company's Common Stock then held by such RFO Holder and the number of shares of the Company's Common Stock issuable upon conversion of the Prime Preferred Stock then held by such RFO Holder divided by (y) the sum of the total number of shares of the Company's Common Stock then outstanding and the number of shares of the Company's Common Stock issuable upon conversion of the then outstanding Prime Preferred Stock, as adjusted (assuming full conversion and exercise of all convertible and exercisable securities).

3.2 Definition of New Securities. Except as set forth below, “New Securities” shall mean any shares of capital stock of the Company, including Common Stock and Preferred Stock, whether authorized or not, and rights, options or warrants to purchase said shares of Common Stock or Preferred Stock, and securities of any type whatsoever that are, or may become, convertible into said shares of Common Stock or Preferred Stock. Notwithstanding the foregoing, “New Securities” does not include:

(a) the Conversion Shares;

(b) all shares of Common Stock issued or deemed issued to employees or directors of, or consultants or advisors to this corporation, pursuant to the Company’s 2007 Stock Plan, as amended from time to time, and approved by a majority of the Board, including a majority of the Preferred Directors (as defined in Charter);

(c) all shares of Common Stock issued or deemed issued in connection with research and development partnerships, licensing, corporate partnering, collaborative arrangements or similar transactions approved by the holders of more than sixty percent (60%) of the outstanding Prime Preferred Stock on an as converted basis;

(d) all securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock;

(e) securities to financial institutions or lessors issued in connection with commercial credit arrangements, equipment financings, or similar transactions approved by a majority of the Board, including a majority of the Preferred Directors (as defined in the Charter);

(f) capital stock issued in connection with bona fide acquisitions, mergers, consolidations or similar business combinations, provided that such issuance has been approved by the holders of more than sixty percent (60%) of the outstanding Prime Preferred Stock;

(g) shares of Common Stock or convertible securities actually issued upon the exercise of options or shares of Common Stock actually issued upon the conversion or exchange of convertible securities, in each case provided such issuance is pursuant to the terms of such option or convertible security, and

(h) all securities issued pursuant to a firm commitment, underwritten initial public offering registered under the Securities Act.

3.3 Notice of Right. In the event the Company proposes to undertake an issuance of New Securities, it shall give each RFO Holder written notice of its intention, describing the type of New Securities and the price and terms upon which the Company proposes to issue the same. The RFO Holders shall have fifteen (15) days from the date of receipt of any such notice to agree to purchase shares of such New Securities (up to the amount referred to in Subsection 3.1), for the price and upon the terms specified in the notice, by giving written notice to the Company and stating therein the quantity of New Securities to be purchased. If any RFO Holders do not indicate an interest in purchasing any such RFO Holder’s full Pro Rata Portion of such New Securities by the end of the 15-day period, the Company shall give notice of any remaining available New Securities (the “Overallotment Notice”) to each of the other RFO Holders who has elected to purchase its full Pro Rata Portion (the “Electing Holders”). Such Overallotment Notice may be made by telephone if confirmed in writing within two (2) days. The Electing Holders shall then have a right of overallotment such that they shall have ten (10) days from the date such Overallotment Notice was given to indicate an interest to increase the number of shares of New Securities they may purchase pursuant to this Section 3, in an aggregate amount of up to the number of remaining available shares of New Securities which, if necessary, shall be

apportioned pro rata on the basis of the proportion that the number of shares of Prime Preferred Stock and Common Stock then held by each such Electing Holder who elects to increase the number of shares of New Securities it proposes to purchase bears to the number of shares of Prime Preferred Stock and Common Stock then held by all such Electing Holders who elect to increase the number of shares of New Securities they propose to purchase.

3.4 Exercise of Right. If any RFO Holder exercises its Right of First Offer hereunder, the closing of the purchase of the New Securities with respect to which such right has been exercised shall take place as soon as practicable after the RFO Holder gives notice of such interest.

3.5 Lapse and Reinstatement of Right. In the event a RFO Holder fails to exercise the Right of First Offer provided in this Section 3 in the manner provided above, the Company shall have ninety (90) days thereafter to sell or enter into an agreement (pursuant to which the sale of New Securities covered thereby shall be closed, if at all, within sixty (60) days from the date of said agreement) to sell the New Securities not elected to be purchased by such RFO Holder at the price and upon the terms no more favorable to the purchasers of such securities than specified in the Company's notice. In the event the Company has not sold the New Securities or entered into an agreement to sell the New Securities within said ninety (90) day period (or sold and issued New Securities in accordance with the foregoing within sixty (60) days from the date of said agreement), the Company shall not thereafter issue or sell any New Securities without first offering such securities to the RFO Holder in the manner provided above.

3.6 Transfer of Right of First Offer. The Right of First Offer granted under Section 3 of this Agreement may be assigned to a transferee or assignee reasonably acceptable to the Company in connection with any transfer of shares of the Company capital stock held by a RFO Holder; provided that (a) such transfer may otherwise be effected in accordance with applicable securities laws; (b) written notice of such assignment is given to the Company; and (c) the transferee executes a written agreement to be bound by the terms of this Agreement.

3.7 Rights of Affiliated Investors. For purposes of this Section 3, Investors who are Affiliates of one or more other Investors shall, at the election of an Investor and one or more such Affiliates, be treated as a group (an "Investor Group"). Members of an Investor Group shall have the right to reallocate the rights granted by this Section 3 among themselves as they determine.

3.8 Termination of Right of First Offer. The Right of First Offer granted under this Section 3 of this Agreement shall terminate and be of no further force or effect upon the effective date of the Company's initial public offering. In the event any RFO Holder fails to purchase its pro rata share of any New Securities, the Right of First Offer granted under this Subsection 3 shall terminate and be of no further force or effect as to such RFO Holder (the "RFO Right Condition"); provided, however, that the RFO Right Condition shall not apply to any Investor who purchased shares of Series C-1 Preferred Stock in connection with the Purchase Agreement or any Investor who purchases Registrable Securities after the date hereof.

SECTION 4

[Intentionally omitted]

SECTION 5

AFFIRMATIVE COVENANTS OF THE COMPANY

The Company hereby covenants and agrees as follows:

5.1 Financial Information. The Company will furnish to each MF Holder, Major Holder or transferee thereof under Subsection 2.14 the following reports:

(a) As soon as practicable after the end of each fiscal year, and in any event within two hundred seventy (270) days thereafter, consolidated balance sheets of the Company and its subsidiaries, if any, as of the end of such fiscal year, and consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such year, prepared in accordance with generally accepted accounting principles applied on a consistent basis and setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and audited by independent public accountants of national standing selected by the Company and approved by the Board;

(b) As soon as practicable after the end of each quarter, and in any event within forty-five (45) days thereafter (other than the last calendar month of each fiscal year), unaudited consolidated balance sheets of the Company and its subsidiaries, if any, as of the end of the quarter, and unaudited consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such quarter, prepared in accordance with generally accepted accounting principles applied on a consistent basis and setting forth in each case in comparative form the figures for the same quarter one year earlier; provided that footnotes and schedule disclosure appearing in audited financial statements shall not be required, all in reasonable detail and signed by the principal financial or accounting officer of the Company;

(c) As soon as practicable after the end of each month, and in any event within thirty (30) days thereafter (other than the last calendar month of each fiscal year), unaudited consolidated balance sheets of the Company and its subsidiaries, if any, as of the end of the month, and unaudited consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such month, prepared in accordance with generally accepted accounting principles applied on a consistent basis and setting forth in each case in comparative form the figures for the same month one year earlier; provided that footnotes and schedule disclosure appearing in audited financial statements shall not be required, all in reasonable detail and signed by the principal financial or accounting officer of the Company;

(d) As soon as practicable, but in any event thirty (30) days prior to the end of each fiscal year, a budget for the next fiscal year, prepared on a monthly basis, and, as soon as prepared, any other updated or revised budgets for such fiscal year prepared by the Company and approved by the Board; and

The Company shall respond with reasonable promptness and accuracy, and shall use its commercially reasonable efforts to cause its transfer agent to respond promptly, to written requests made by or on behalf of any MF Holder, Major Holder or transferee thereof under Subsection 2.14 for information that is reasonably related to (i) accounting and securities law matters required in connection with such Investor's year-end audit or (ii) the number of shares of the Company's securities held by such Investor so as to permit such Investor to calculate its percentage equity ownership in the Company; provided, however, that the Company shall not be obligated to provide any information that could reasonably result in a violation of applicable law or conflict



with the Company's insider trading policies or confidentiality obligations; and provided further that the covenants set forth in this paragraph shall, with respect to each Investor, terminate and be of no further force or effect once such Investor no longer hold any securities of the Company that are restricted under the Securities Act.

Additionally, the Company shall furnish to a representative of Fidelity Research and Management Company or any transferee thereof under Section 2.14, as soon as practicable after delivery to the Board, copies of all approved minutes and approved consents of the Board and committees of the Board that the Company provides to its directors, except that such representative may be excluded from access to any material or portion thereof if (i) such exclusion is reasonably necessary to preserve the attorney-client privilege or to protect the Company's highly confidential proprietary information, or (ii) providing such information could reasonably result in a violation of applicable law or conflict with the Company's insider trading policy, code of conduct or a confidentiality obligation of the Company.

5.2 Inspection. The Company shall permit each Major Holder and MF Holder, at such Holder's expense, to visit and inspect the Company's properties, to examine its books of account and records and to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times as may be requested by the Major Holder or the MF Holder.

5.3 Confidentiality. Each Major Holder and MF Holder agrees and will cause any representative of such Major Holder or MF Holder, respectively, to hold in confidence and trust and not use or disclose any information provided to or learned by it in connection with its rights under this Section 5 that is identified in writing as confidential (the "Confidential Information"), except that such Major Holder or MF Holder may disclose such information to any partner, member, subsidiary or parent of such Major Holder or MF Holder, respectively, for the purpose of evaluating its investment in the Company as long as (a) such partner, member, subsidiary or parent is advised of the confidentiality provisions of this Subsection 5.3 and (b) such Major Holder or MF Holder uses its commercially reasonable best efforts to ensure that such partner, member, subsidiary or parent holds such information in confidence and trust and will not use or disclose any information provided to or learned by it except as required by law. Notwithstanding the above, this Subsection 5.3 shall not apply to any information which any such Major Holder or MF Holder can prove:

(a) was in the public domain at the time it was disclosed or has entered the public domain through no fault of such Major Holder or MF Holder;

(b) was known to such Major Holder or MF Holder, without restriction, at the time of disclosure, as demonstrated by files in existence at the time of disclosure;

(c) is disclosed with the prior written approval of the Company;

(d) was independently developed by such Major Holder or MF Holder without any use of the Confidential Information and by employees of such Major Holder or MF Holder who have not had access to the Confidential Information, as demonstrated by files created at the time of such independent development;

(e) becomes known to such Major Holder or MF Holder, without restriction, from a source other than the Company without breach of this Subsection 5.3 by such Major Holder or MF Holder and otherwise not in violation of the Company's rights;

(f) is disclosed generally to third parties by the Company without restrictions similar to those contained in this Subsection 5.3; or

(g) is disclosed pursuant to the order or requirement of a court, administrative agency, or other governmental body; provided, however, that such Major Holder or MF Holder shall provide prompt notice of such court order or requirement to the Company to enable the Company to seek a protective order or otherwise prevent or restrict such disclosure.

Notwithstanding the foregoing, an MF Holder or such MF Holder's partner, member, investment manager, subsidiary or parent may identify only the Company and the value of such MF Holder's security holdings in the Company (and not, for the avoidance of doubt, other confidential information with respect to the Company's business) without prior notice to or consent from the Company and such MF Holder shall otherwise comply with the confidentiality obligations set forth in this Subsection 5.3 and (ii) disclose any Confidential Information if such disclosure is required by law. In the event that an MF Holder is required or requested to make such disclosure, it is agreed that, to the extent legally permissible, the MF Holder shall notify the Company and, to the extent reasonably practicable, the MF Holder shall provide such notice in advance of the disclosure so as to allow the Company an opportunity to seek (at the Company's sole expense) a protective order or other appropriate remedy. In the event that no such protective order or other remedy is obtained or that the Company waives compliance with the provisions hereof, the MF Holder may disclose such Confidential Information as may be required or requested.

5.4 No Promotion. The Company agrees that it will not, without the prior written consent of such MF Holder, use in advertising or publicity, or otherwise disclose to a third party, the name of such MF Holder, nor any trade name, trademark, trade device, service mark, symbol or any abbreviation, contraction or simulation thereof owned by any of the aforementioned or any of their respective Affiliates. The Company further agrees that it shall obtain the written consent of the MF Holder prior to the Company's or any of its subsidiaries' issuance of any public statement detailing the purchase of Shares by the MF Holders; provided, however, the Company may file a Form D with the Commission and any other required securities filings with respect to the transactions contemplated by the Purchase Agreement without the prior written consent of the MF Holder so long as such filing does not identify the MF Holder. Notwithstanding the foregoing, the Company may identify any MF Holder, (a) as required by law, (b) in information and documents submitted to its stockholders seeking required consents or waivers to transactions or other actions that require such consent or waiver and (c) other non-public communications with third parties where disclosure of the capitalization of the Company is customary and such third parties are subject to customary confidentiality obligations. Notwithstanding anything herein to the contrary, this Subsection 5.4, as it pertains to any MF Holder, may not be amended or waived in a manner adverse to any MF Holder without the prior written consent of such MF Holder.

5.5 Patent, Copyright and Nondisclosure Agreements. The Company agrees to require each employee of the Company to execute a Patent, Copyright and Nondisclosure Agreement and each consultant and advisor of the Company to execute an agreement that provides for confidential treatment of the Company's proprietary information, substantially in a form reasonably acceptable to the Board, as a condition of employment or continued employment or engagement, as the case may be, unless otherwise approved by the Board.

5.6 Stock Vesting. Unless otherwise approved by at least majority of the Board present at a meeting in which there is a quorum, the Company agrees that all Common Stock issued to employees, consultants, advisors, directors and officers in the future shall be subject to a repurchase option which provides that upon termination of the employment of such individual, with or without cause, the Company has the option to repurchase at cost any unvested shares held by the individual which repurchase option shall lapse twenty-five percent (25%) after one (1) year and the remainder on a monthly basis over the following three (3) year period. No such options or stock grants shall have acceleration provisions with respect to vesting, unless otherwise approved by at least majority of the Board present at a meeting in which there is a quorum. Notwithstanding the above, this Subsection 5.5 shall not apply to Stockholders.

5.7 Insurance. The Company shall within two (2) months of the date hereof obtain from financially sound and reputable insurers directors' and officers' liability insurance on terms consistent with the NVCA VentureInsure product (the "D & O Policy") in an amount approved by the Board. The Company shall cause to be maintained the D & O Policy except as otherwise decided in accordance with policies approved by a majority of the Preferred Directors (as defined in the Charter).

5.8 Annual Budget. The Company shall (a) provide to the Board a copy of the proposed Annual Budget for review at least sixty (60) days prior to the beginning of each fiscal year, and (b) the Company shall obtain the approval of a majority of the Board of the Annual Budget for such fiscal year at least thirty (30) days prior to the commencement of such fiscal year.

5.9 Board Matters. All non-employee directors and official board observers will be reimbursed for their reasonable out-of-pocket and travel expenses incurred (i) in attending Board meetings (or meetings of committees thereof), (ii) in attending other functions on behalf of the Company, or (iii) in connection with the performance of their duties as directors. All non-employee directors shall be compensated uniformly.

5.10 Management Compensation. The Board or a Compensation Committee thereof shall determine the compensation to be paid by the Company to an employee of or consultant to the Company in a managerial position involving compensation of at least \$150,000 annually. Any grants of capital stock or options to employees, officers, directors or consultants of the Company shall be made pursuant to a stock option plan duly adopted by the Board.

5.11 Compliance with Laws. The Company shall comply with all applicable laws, rules, regulations and orders, except where noncompliance would not have a material adverse effect on the business, properties, assets or condition (financial or otherwise) of the Company. The Company shall comply with all applicable federal and state securities laws in connection with the offer, issuance, sale or redemption of any shares of its capital stock.

5.12 Payment of Taxes. The Company will pay and discharge all lawful Taxes (as defined below) before such Taxes shall become in default and all lawful claims for labor, materials and supplies which, if not paid when due, might become a lien or charge upon its property or any part thereof; provided, however, that the Company shall not be required to pay and discharge any such Tax, assessment, charge, levy or claim so long as the validity thereof is being contested by or for the Company in good faith by appropriate proceedings and an adequate reserve therefore has been established on its books. The term "Tax" (and, with correlative meaning, "Taxes") means all United States federal, state and local, and all foreign, income, profits, franchise, gross receipts, payroll, transfer, sales, employment, use, property, excise, value added, *ad valorem*, estimated, stamp, alternative or add-on minimum, recapture, environmental, withholding and any other taxes, charges, duties, impositions or assessments, together with all interest, penalties, and additions imposed on or with respect to such amounts, or levied, assessed or imposed against the Company.

5.13 Financings. The Company shall promptly provide to its Board the details and terms of, and any brochures or investment memoranda prepared by or for the Company related to, any possible bone fide and material financing of any nature for the Company, whether initiated by the Company or any other Person.

5.14 Fourth Amended and Restated Voting Agreement. The Company shall cause any Person who acquires shares of capital stock constituting one percent (1%) or more of the Company's then outstanding shares of capital stock (treating for this purpose all shares of Common Stock issuable upon exercise of or conversion of outstanding options, warrants or convertible securities, as if exercised and/or converted or exchanged) to execute a counterpart of the Fourth Amended and Restated Voting Agreement of even date herewith, by and among the Company and certain stockholders of the Company ("Voting Agreement") (if it is

not already a party thereto), such execution indicating such Person's agreement to become a "Holder" thereunder and to bound by the drag along provisions and related provisions of the Voting Agreement as of the date of such acquisition.

5.15 Indemnification Matters. The Company hereby acknowledges that one (1) or more of the directors nominated to serve on the Board by the Investors (each a "Fund Director") may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Investors and certain of their affiliates (collectively, the "Fund Indemnitors"). The Company hereby agrees (a) that it is the indemnitor of first resort (*i.e.*, its obligations to any such Fund Director are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Fund Director are secondary), (b) that it shall be required to advance the full amount of expenses incurred by such Fund Director to the extent legally permitted and as required by the Company's Certificate of Incorporation or Bylaws of the Company (or any agreement between the Company and such Fund Director), without regard to any rights such Fund Director may have against the Fund Indemnitors, and, (c) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of any such Fund Director with respect to any claim for which such Fund Director has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Fund Director against the Company.

5.16 Right to Conduct Activities. The Company hereby agrees and acknowledges that Delos Investments 1 (together with its affiliates) ("Delos") is a professional investment fund, and as such invests in numerous portfolio companies, some of which may be deemed competitive with the Company's business (as currently conducted or as currently propose to be conducted). The Company hereby agrees that, to the extent permitted under applicable law, Delos shall not be liable to the Company for any claim arising out of, or based upon, (i) the investment by Delos in any entity competitive with the Company, or (ii) actions taken by any partner, officer or other representative of Delos to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not relieve (x) any of the Investors from liability associated with the unauthorized disclosure of the Company's confidential information obtained pursuant to this Agreement, or (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company.

5.17 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, its Certificate of Incorporation, or elsewhere, as the case may be.

5.18 Prime Preferred Stock Protective Provisions. So long as at least Eight Thousand One Hundred Thirty (8,130) shares of Prime Preferred Stock are outstanding, the Company shall not (by merger, reclassification or otherwise), without the prior approval of the Company's board of directors, including a majority of the Preferred Directors (as defined in the Charter):

- (a) change the strategic goals of the Company's budgets, development and business plans;

(b) change the principal place of business of the Company or enter into any new line of unrelated business;

(c) execute any document which results in an assignment, license, sublicense (or its termination) of any of the Company's material assets (including without limitation any of its intellectual property);

(d) enter into a strategic partnership;

(e) acquire the capital stock of another entity which results in the consolidation of that equity into the results of operations of the Company or any material acquisition of assets of another entity; or

(f) take any other action materially adversely affecting the rights, preferences and privileges of the Preferred Stock.

5.19 Employee Stock Option Grants. Subject to approval by the Board and stockholders of the Company, if applicable, as soon as practicable following each Closing (as defined in the Purchase Agreement), the Company shall grant the issuance of stock options under the Company's 2007 Stock Plan, as amended, to certain of the Company's employees, as determined in the discretion of the Board, in order for such Company employees to maintain a fully diluted ownership percentage in the Company of approximately 10.9%.

5.20 Termination of Covenants. The covenants set forth in this Section 5 (except Subsection 5.15) shall terminate on, and be of no further force or effect at such time as the Company (i) consummates the initial public offering of the Company or (ii) becomes subject to the reporting provisions of the Exchange Act.

## SECTION 6

### MISCELLANEOUS

6.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors, assigns, heirs, executors and administrators and permitted transferees of the parties hereto.

6.2 Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto, and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.3 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware as applied to agreements entered into and performed in the State of Delaware solely by residents thereof without reference to principles of conflicts of laws or choice of laws.

6.4 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.5 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be deemed effectively given the earlier of (i) when received, (ii) when delivered personally, (iii) one (1) business day after being delivered by facsimile (with receipt of appropriate confirmation), (iv) one (1) business day after being deposited with an overnight courier service or (v) four (4) days after being deposited in the U.S. mail,

First Class with postage prepaid, and addressed to the parties at the addresses provided to the Company (which the Company agrees to disclose to the other parties upon request) or such other address as a party may request by notifying the other in writing.

6.6 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, portions of such provisions, or such provisions in their entirety, to the extent necessary, shall be severed from this Agreement, and the balance of this Agreement shall be enforceable in accordance with its terms.

6.7 Amendment and Waiver. Any provision of this Agreement may be amended or waived with the written consent of the Company and the Holders of more than sixty percent (60%) of the outstanding shares of the Prime Preferred Stock, voting as a separate class. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each Holder of Registrable Securities and the Company but in no event shall any amendment or waiver materially increase the obligations of any Holder, except upon the written consent of such Holder; provided that any amendment or waiver to Subsections 2.15 and 5.1 shall also require the consent of a majority of the outstanding shares of the Prime Preferred Stock held by the MF Holders, the Major Holders or any transferee thereof, voting together as a separate class; and provided further that any amendment to the definition of "MF Holder" or "Major Holder" shall require the consent of the effected MF Holder or Major Holder, respectively. Further, if such amendment or waiver would adversely affect the rights of a specific series of Preferred Stock in a manner different from the other series of Preferred Stock or Bayer in a manner different from the other Holders, then such amendment or waiver shall require the consent of the Investors holding more than fifty percent (50%) of such series of Preferred Stock or Bayer, as the case may be. In addition, the Company may waive performance of any obligation owing to it, as to some or all of the Holders of Registrable Securities, or agree to accept alternatives to such performance, without obtaining the consent of any Holder of Registrable Securities. In the event that an underwriting agreement is entered into between the Company and any Holder, and such underwriting agreement contains terms differing from this Agreement, as to any such Holder the terms of such underwriting agreement shall govern.

6.8 Rights of Holders. Each Holder of Registrable Securities shall have the right to exercise or refrain from exercising any right or rights that such Holder may have by reason of this Agreement, including, without limitation, the right to consent to the waiver or modification of any obligation under this Agreement, and such Holder shall not incur any liability to any other holder of any securities of the Company as a result of exercising or refraining from exercising any such right or rights.

6.9 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party to this Agreement, upon any breach or default of the other party, shall impair any such right, power or remedy of such non-breaching party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be made in writing and shall be effective only to the extent specifically set forth in such writing.

6.10 Attorneys' Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

6.11 Headings. The headings and captions used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs, exhibits and schedules shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits and schedules attached hereto, all of which are incorporated herein by this reference.

6.12 Entire Agreement. This Agreement constitutes the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior negotiations, correspondence, agreements, understandings, duties or obligations among the parties with respect to the subject matter hereof.

6.13 Further Assurances. From and after the date of this Agreement, upon the request of a party, the other parties shall execute and deliver such instruments, documents or other writings as may be reasonably necessary or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

6.14 Aggregation of Stock. All shares of the Preferred Stock held or acquired by affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

**[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**COMPANY:**

SYNDAX PHARMACEUTICALS, INC.

By: /s/ Briggs Morrison  
Name: Briggs Morrison, M.D.  
Title: Chief Executive Officer

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**



**INVESTORS:**

**ADDRESS:**

**FIDELITY SELECT PORTFOLIOS: BIOTECHNOLOGY  
PORTFOLIO**

By: /s/ Stephanie J. Dorsey \_\_\_\_\_  
Name: Stephanie J. Dorsey  
Title: Assistant Treasurer

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**FIDELITY ADVISOR SERIES VII: FIDELITY ADVISOR  
BIOTECHNOLOGY FUND**

By: /s/ Stephanie J. Dorsey \_\_\_\_\_  
Name: Stephanie J. Dorsey  
Title: Assistant Treasurer

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**BLACKROCK HEALTH SCIENCES TRUST**

By: BlackRock Advisors, LLC

Its: Investment Adviser

By: /s/ Thomas P. Callan

Name: Thomas P. Callan

Title: Managing Director

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**BLACKROCK HEALTH SCIENCES OPPORTUNITIES  
PORTFOLIO, A SERIES OF BLACKROCK FUNDS**

By: BlackRock Advisors, LLC

Its: Investment Adviser

By: /s/ Thomas P. Callan

Name: Thomas P. Callan

Title: Managing Director

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**BLACKROCK HEALTH SCIENCES MASTER UNIT  
TRUST**

By: BlackRock Capital Management, Inc.  
Its: Investment Adviser

By: /s/ Thomas P. Callan  
Name: Thomas P. Callan  
Title: Managing Director

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

INVESTORS:

ADDRESS:

**DELOS INVESTMENTS 1**

By: /s/ Henry Lin Chen  
Duly Authorised Signatory

Name: Henry Lin Chen  
Title: Director

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**ORBIMED PRIVATE INVESTMENTS V, LP**

By: OrbiMed Capital GP V LLC, its General Partner

By: OrbiMed Advisors LLC, its Managing  
Member

By: /s/ Carl Gordon  
Name: Carl Gordon  
Title: Member

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**ECOR1 CAPITAL FUND, L.P.**

By: /s/ Oleg Nodelman

Name: Oleg Nodelman

Title: Managing Director, EcoR1 Capital, LLC

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**



**INVESTORS:**

**ADDRESS:**

**ECOR1 CAPITAL FUND QUALIFIED, L.P.**

By: /s/ Oleg Nodelman

Name: Oleg Nodelman

Title: Managing Director, EcoR1 Capital, LLC

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**JENNISON GLOBAL HEALTHCARE MASTER FUND,  
LTD.**

By: Jennison Associates LLC, as the Investment Manager of  
Jennison Global Healthcare Master Fund, Ltd.

By: /s/ David Chan  
Name: David Chan  
Title: Managing Director of Jennison Associates LLC

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

INVESTORS:

ADDRESS:

**BOXER CAPITAL LLC**

By: /s/ Aaron Davis

Name: Aaron Davis

Title: Chief Executive Officer

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**MVA INVESTORS LLC**

By: /s/ Aaron Davis

Name: Aaron Davis

Title: Chief Executive Officer

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**MERIDIAN GROWTH FUND**

By: its Investment Adviser  
Arrowpoint Asset Management, LLC

By: /s/ David Corkins

Name: David Corkins

Title: Managing Member

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**MERIDIAN SMALL CAP GROWTH FUND**

By: its Investment Adviser  
Arrowpoint Asset Management, LLC

By: /s/ David Corkins

Name: David Corkins

Title: Managing Member

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**ARROWPOINT FUNDAMENTAL OPPORTUNITY  
FUND, LP**

By: its General Partner  
Arrowpoint Partners GP, LLC

By: /s/ David Corkins  
Name: David Corkins  
Title: Managing Member

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**AP INVESTMENT SERIES, LLC**

By: its Investment Adviser  
Arrowpoint Asset Management, LLC

By: /s/ David Corkins

Name: David Corkins

Title: Managing Member

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**



**INVESTORS:**

**CORMORANT GLOBAL HEALTHCARE  
MASTER FUND, LP**

**ADDRESS:**

Cormorant Global Healthcare Master Fund, LP  
200 Clarendon Street, 52nd Floor  
Boston, MA 02116

By: /s/ Bihua Chen  
Name: Bihua Chen  
Title: Managing Member of the General Partner

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**BMV DIRECT II LP**

a Delaware limited liability company

By: /s/ Brian Wolfe

Name: Brian Wolfe

Title: Vice President

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

INVESTORS:

ADDRESS:

BIOBRIT, LLC

By: /s/ Daniel M. Bradbury

Name: Daniel M. Bradbury

Title: Managing Member

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**DOMAIN PARTNERS VI, L.P.**

By: One Palmer Square Associates VI, L.L.C.

Its: General Partner

By: /s/ Lisa A. Kraeutler

Name: Lisa A. Kraeutler

Title: Attorney-in-fact

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**DP VI ASSOCIATES, L.P.**

By: One Palmer Square Associates VI, L.L.C.

Its: General Partner

By: /s/ Lisa A. Kraeutler

Name: Lisa A. Kraeutler

Title: Attorney-in-fact

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**DOMAIN PARTNERS VIII, L.P.**

By: One Palmer Square Associates VIII, L.L.C.

Its: General Partner

By: /s/ Lisa A. Kraeutler

Name: Lisa A. Kraeutler

Title: Attorney-in-fact

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**DP VIII ASSOCIATES, L.P.**

By: One Palmer Square Associates VIII, L.L.C.

Its: General Partner

By: /s/ Lisa A. Kraeutler

Name: Lisa A. Kraeutler

Title: Attorney-in-fact

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

INVESTORS:

ADDRESS:

MC LIFE SCIENCE VENTURES, INC.

By: /s/ Asuka Nakazato  
Name: Asuka Nakazato  
Title: Executive Vice President

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**



**INVESTORS:**

**ADDRESS:**

**MPM BIOVENTURES IV-QP, L.P.**

By: MPM BIOVENTURES IV GP LLC

Its: General Partner

By: MPM BIOVENTURES IV LLC

Its: Managing Member

By: /s/ Luke Evinin

Name: Luke Evinin, Ph.D.

Title: Member

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**MPM BIOVENTURES IV GMBH & CO.  
BETEILIGUNGS KG**

By: MPM BIOVENTURES IV GP LLC,  
in its capacity as the Managing Limited Partner  
By: MPM BIOVENTURES IV LLC  
Its: Manager

By: /s/ Luke Evin  
Name: Luke Evin, Ph.D.  
Title: Member

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**MPM ASSET MANAGEMENT INVESTORS BV4, LLC**

By: MPM BIOVENTURES IV LLC

Its: Manager

By: /s/ Luke Evnin

Name: Luke Evnin, Ph.D.

Title: Member

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

**MPM BIOVENTURES IV STRATEGIC FUND, L.P.**

By: MPM BIOVENTURES IV GP LLC

Its: General Partner

By: MPM BIOVENTURES IV LLC

Its: Managing Member

By: /s/ Luke Evinin

Name: Luke Evinin, Ph.D.

Title: Member

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

/s/ Roe Reynolds

\_\_\_\_\_  
Roe Reynolds

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**INVESTORS:**

**ADDRESS:**

/s/ Ronald Evans

\_\_\_\_\_  
Ronald Evans, Ph.D.

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**STOCKHOLDERS:**

**ADDRESS:**

/s/ Peter Ordentlich

\_\_\_\_\_  
Peter Ordentlich, Ph.D.

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

**STOCKHOLDERS:**

**ADDRESS:**

/s/ Ronald Evans

Ronald Evans, Ph.D.

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**



EXHIBIT A

SCHEDULE OF INVESTORS

Fidelity Select Portfolios: Biotechnology Portfolio  
Fidelity Advisor Series VII: Fidelity Advisor Biotechnology Fund  
BlackRock Health Sciences Trust  
BlackRock Health Sciences Opportunities Portfolio, a series of BlackRock Funds  
BlackRock Health Sciences Master Unit Trust  
OrbiMed Private Investments V, LP  
EcoR1 Capital Fund, L.P.  
EcoR1 Capital Fund Qualified, L.P.  
Jennison Global Healthcare Master Fund, Ltd.  
Boxer Capital LLC  
MVA Investors LLC  
Meridian Growth Fund  
Meridian Small Cap Growth Fund  
Arrowpoint Fundamental Opportunity Fund, LP  
AP Investment Series, LLC  
Cormorant Global Healthcare master Fund, LP  
BMV Direct II LP  
BioBrit LLC  
A.M. Pappas Life Science Ventures III, L.P.  
Avalon Ventures VII, L.P.  
Boom Profit Investments Limited  
Delos Investments 1  
Domain Partners VI, L.P.  
DP VI Associates, L.P.  
Domain Partners VIII, L.P.  
DP VIII Associates, L.P.  
Forward Ventures IV, LP  
Forward Ventures IVB, LP  
Forward Ventures V, LP  
GE Capital Equity Investments, Inc.  
Kyowa Hakko Kirin Co., Ltd.  
MC Life Science Ventures. Inc.  
MPM Asset Management Investors BV4 LLC  
MPM BioVentures IV-QP, LP  
MPM BioVentures IV GmbH & Co. Beteiligungs KG  
MPM BioVentures IV Strategic Fund, L.P.  
PV III CEO Fund, L.P.  
RMI Investments S.a.r.l.  
Ronald Evans, Ph.D.  
Roe Reynolds

**EXHIBIT B**

**SCHEDULE OF MF HOLDERS**

Fidelity Select Portfolios: Biotechnology Portfolio, and its Affiliates

Fidelity Advisor Series VII: Fidelity Advisor Biotechnology Fund, and its Affiliates

BlackRock Health Sciences Trust, and its Affiliates

BlackRock Health Sciences Opportunities Portfolio, a series of BlackRock Funds, and its Affiliates

BlackRock Health Sciences Master Unit Trust, and its Affiliates

Meridian Growth Fund, and its Affiliates

Meridian Small Cap Growth Fund, and its Affiliates

**[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]**

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WARRANT AGREEMENT  
between  
SYNDAX PHARMACEUTICALS, INC.  
and  
BAYER SCHERING PHARMA AG  
Dated as of March 26, 2007

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This WARRANT AGREEMENT (this "Agreement") is made as of March 26, 2007 between SYNDAX PHARMACEUTICALS, INC., a corporation organized under the laws of the State of Delaware (the "Company"), and BAYER SCHERING PHARMA AG (formerly known as SCHERING AG), a corporation organized under the laws of the Federal Republic of Germany ("Bayer").

WHEREAS, in connection with the execution and delivery of the License, Development and Commercialization Agreement dated as of the date hereof, among the Company and Bayer, the Company has agreed to issue and deliver to Bayer a warrant (the "Warrant" or "Warrants") to purchase shares of Common Stock representing, subject to the provisions of Sections 2.01 and 4.02, one and three quarters percent (1.75%) of the shares of Common Stock outstanding on a Fully Diluted Basis as of the earlier of a Date of Exercise and the IPO Date (the shares of Common Stock issuable upon exercise of Warrants being referred to herein as the "Warrant Shares") as set forth herein;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and obligations hereinafter set forth, the parties hereto hereby agree as follows:

## ARTICLE I DEFINITIONS

SECTION 1.01. Definitions. As used in this Agreement, the following terms shall have the meanings ascribed to them below.

"Affiliate" of any Person means any Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person. For purposes of this "Affiliate" definition only, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. The term "Affiliate" shall also include any Person that directly, or indirectly through one or more intermediaries, owns 5% or more of any class of capital stock or other equity interests of the Person specified or that is an officer or director of the Person specified.

"Agreement" has the meaning set forth in the Preamble to this Agreement.

"Bayer" has the meaning set forth in the Preamble of this Agreement.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

"Common Stock" means common stock, par value \$0.0001 per share, of the Company.

"Date of Exercise" means, with respect to any Warrant, a date on which such Warrant is exercised as provided herein.

"Election to Purchase" has the meaning set forth in Section 3.02 of this Agreement.

“Exercise Amount” means, with respect to any exercise of Warrants on a Date of Exercise, the number of shares of Common Stock calculated pursuant to the formula set forth in Section 4.02(a).

“Exercise Percentage” means, with respect to any exercise of Warrants on a Date of Exercise, an amount equal to the percentage of the Grant Percentage being exercised on such Date of Exercise; *provided* that each Exercise Percentage shall not be less than ten percent (10%); and *provided further* that no Exercise Percentage, taken together with all prior Exercise Percentages, shall exceed one hundred percent (100%).

“Exercise Price” has the meaning set forth in Section 4.01 of this Agreement.

“Expiration Date” means 5:00 p.m., New York City time, on the earlier of (a) the tenth anniversary of the IPO Date and (b) the date of the consummation of a Substantial Disposition Transaction.

“Fair Market Value” means, with respect to any security, the average of the closing prices of such security’s sales on all principal securities exchanges on which such security may at the time be listed, or, if there have been no sales on any such exchange on any day, the average of the highest bid and lowest asked prices on all such exchanges at the end of such day, or, if on any day such security is not so listed, the average of the representative bid and asked prices quoted in the Nasdaq Stock Market System as of 4:00 P.M., New York time, or, if on any day such security is not quoted in the Nasdaq Stock Market System, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau, Incorporated, or any similar successor organization, in each such case averaged over a period of twenty (20) days consisting of the twenty (20) consecutive Business Days prior to such day as of which Fair Market Value is being determined. If at any time such security is not listed on any securities exchange or quoted in the Nasdaq Stock Market System or the over-the-counter market, the Fair Market Value shall be the fair value thereof reasonably determined in good faith by the Board of Directors.

“Fully Diluted Basis” means, with respect to the calculation of the number of shares of Common Stock deemed to be outstanding as of any date, all shares of Common Stock outstanding at the date of determination and all shares of Common Stock issuable upon the exercise of any warrant, right, option or other security outstanding at the date of determination which may be exercised, converted or exchanged for shares of Common Stock. For the avoidance of doubt, Warrant Shares underlying Warrants issued pursuant to the terms of this Warrant Agreement shall be deemed to be shares of Common Stock outstanding on a Fully Diluted Basis.

“Grant Percentage” means one and three quarters percent (1.75%).

“Holder” means a holder of a Warrant Certificate.

“Initial Public Offering” means the sale, pursuant to an underwritten offering pursuant to one or more effective registration statements (other than registration statements on Forms S-4 and S-8) under the Securities Act (other than any sale made (i) in connection with any acquisition of any Person or any properties or assets of any Person or (ii) pursuant to an employee stock option plan, restricted stock plan, stock purchase plan, stock ownership plan or other employee benefit plan of the Company), of at least 15% of the total number of shares of Common Stock that are issued and outstanding immediately prior to such sale.

“IPO Date” means the date of the closing of the Company’s Initial Public Offering.

“Minimum Exercise Threshold” means the amount equal to ten percent (10%) of the Grant Percentage.

“Officer” means the Chief Executive Officer, the President or the Chief Financial Officer.

“Person” means any individual, corporation (including any non-profit corporation), general or limited partnership, cooperative, limited liability company, joint venture, estate, trust, association, organization, labor union or other entity.

“Reorganizations” has the meaning set forth in Section 5.02 of this Agreement.

“Securities Act” means the Securities Act of 1933, as amended, and all rules and regulations promulgated thereunder.

“Substantial Disposition Transaction” means the sale in one transaction or a series of related transactions to a Person or Persons not an Affiliate of the Company, directly or indirectly, pursuant to which such Person or Persons (together with its Affiliates) acquires all or substantially all of the assets or business of the Company.

“Transfer Agent” has the meaning set forth in Section 4.05 of this Agreement.

“Warrant Certificates” means the certificates evidencing the Warrants.

“Warrant Shares” has the meaning set forth in the recitals to this Agreement.

“Warrant” and “Warrants” have the meaning set forth in the recitals to this Agreement.

## ARTICLE II ISSUANCE OF WARRANTS

SECTION 2.01. Issuance of Warrants. (a) Subject to the terms and conditions of this Agreement the Company hereby issues and delivers to Bayer a Warrant to purchase, at the Exercise Price, such number of fully paid and nonassessable shares of Common Stock as is initially equal to one and three quarters percent (1.75%) of the shares of Common Stock outstanding on a Fully Diluted Basis as of the earlier of a Date of Exercise and the IPO Date, as provided more fully in Section 4.02.

(b) Promptly following the IPO Date, the Company shall prepare and deliver to the Holder a notice executed by an Officer of the Company setting forth the number of shares of Common Stock outstanding on a Fully Diluted Basis at the close of business on the IPO Date and the number of Warrant Shares available for issuance under the Warrants, if any, on and after the IPO Date.

SECTION 2.02. Representations and Warranties of the Company. The Company hereby represents and warrants, on the date hereof, as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the requisite power and authority



to execute and deliver this Agreement and the Warrant Certificates, to issue the Warrants and the Warrant Shares and to perform its obligations under this Agreement and the Warrant Certificates.

(b) The execution, delivery and performance by the Company of this Agreement and the Warrant Certificates, the issuance of the Warrants and the issuance of the Warrant Shares upon exercise of the Warrants have been duly authorized by all necessary corporate or similar action.

(c) This Agreement and the Warrant Certificates have been duly executed and delivered by the Company and each constitutes a legal, valid, binding and enforceable obligation of the Company, except to the extent limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium and similar laws of general application related to the enforcement of creditor's rights generally and (ii) general principles of equity. The Warrant Shares, when issued upon exercise of the Warrants in accordance with the terms thereof and this Agreement, shall be duly authorized, validly issued, fully paid and nonassessable shares of Common Stock with no liability on the part of the holders thereof, and shall be free from all taxes, liens, security interests, encumbrances, preemptive rights and charges.

SECTION 2.03. Representations and Warranties of the Holder. The Holder hereby represents and warrants, on the date hereof, as follows:

(a) The Holder has sufficient knowledge and experience in financial and business matters such that the Holder is capable of evaluating the merits and risks of its investment in the Company.

(b) The Holder is acquiring the Warrant and the Warrant Shares for investment for its own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof. The Holder understands that the Warrants have not been registered under the Securities Act and, therefore, cannot be resold unless they are registered under the Securities Act or unless an exemption from registration is available.

(c) The Holder understands that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Company's securities.

(d) The Holder and, to the knowledge of the Holder, the Holder's Affiliates have not participated in any public solicitation or advertisement of any offer in connection with the proposed issuance and sale of the Warrants.

### ARTICLE III WARRANT CERTIFICATES

SECTION 3.01. Warrant Certificates. Each Warrant Certificate shall evidence a Warrant representing the right, subject to the provisions contained herein and therein, to purchase from the Company Warrant Shares equal to the Exercise Amount calculated using the Exercise Percentage specified on such Warrant Certificate.

SECTION 3.02. Forms of Warrant Certificates. The Warrant Certificates shall be issued in the form of Exhibit A attached hereto, together with the form of the election to purchase (the "Election to Purchase") and assignment to be attached thereto, and, in addition, may have such letters, numbers or other marks of identification or designation and such legends, summaries, or endorsements stamped, printed, lithographed or engraved thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as, in any particular case, may be required in the opinion of counsel for the Company to comply with any law or with any rule or regulation of any regulatory authority or agency, or to conform to customary usage. Concurrently with the execution and delivery of this Agreement, a Warrant Certificate for the Warrant being issued hereby shall be issued to Bayer.

SECTION 3.03. Execution of Warrant Certificates. The Warrant Certificates shall be executed on behalf of the Company by an Officer thereof, either manually or by facsimile signature printed thereon. In case any Officer of the Company who shall have signed any of the Warrant Certificates shall cease to be an Officer of the Company either before or after delivery thereof by the Company to any Holder, the signature of such Person on such Warrant Certificates shall be valid nevertheless and such Warrant Certificates may be issued and delivered to those persons entitled to receive the Warrants represented thereby with the same force and effect as though the Person who signed such Warrant Certificates had not ceased to be an Officer of the Company.

SECTION 3.04. Registration of Warrant Certificates. The Company shall number and keep a registry of the Warrant Certificates in a register as they are needed. The Company may deem and treat registered Holders as the absolute owners thereof for all purposes.

SECTION 3.05. Exchange and Transfer of Warrant Certificates.

(a) In addition to any other legend which may be required by applicable law, each Warrant Certificate representing a Warrant and each certificate representing Warrant Shares issued upon exercise of a Warrant shall have endorsed, to the extent appropriate, upon its face the following words:

NEITHER THE SECURITY REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY JURISDICTION. THIS SECURITY AND THE SECURITIES ISSUABLE UPON ITS EXERCISE MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED, ASSIGNED, ENCUMBERED, HYPOTHECATED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (I) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES THAT IS EFFECTIVE UNDER SUCH ACT OR APPLICABLE STATE SECURITIES LAW OR (II) ANY EXEMPTION FROM REGISTRATION UNDER SUCH ACT, OR APPLICABLE STATE SECURITIES LAW, RELATING TO

THE DISPOSITION OF SECURITIES, INCLUDING RULE 144, AND, IF REQUESTED BY THE COMPANY, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY OPINING AS TO SUCH EXEMPTION.

THIS SECURITY IS SUBJECT TO THE PROVISIONS OF THE WARRANT AGREEMENT, DATED AS OF MARCH 26, 2007, BETWEEN THE COMPANY AND BAYER SCHERING PHARMA AG. A COPY OF SUCH WARRANT AGREEMENT IS AVAILABLE AT THE OFFICES OF THE COMPANY.

(b) The Warrant Certificate representing the Warrant issued hereby may be transferred or assigned by the Holder hereof, in whole or in part as to any unexercised portion of the Exercise Percentage; *provided* that: (i) for transfers made to a Person other than an Affiliate of the Holder, written notice is given to the Company at least ten (10) Business Days before the transfer and the transferor shall provide, at the Company's request, an opinion of counsel reasonably satisfactory to the Company that such transfer does not require registration under the Securities Act, (ii) the transfer shall be for a portion of the Warrant Certificate not less than the Minimum Exercise Threshold, (iii) the Holder shall provide written notice to the Company of any transfer to an Affiliate within ten (10) Business Days after the transfer and (iv) the transferee shall agree to be bound by the terms of this Agreement. For purposes of Section 3.05(b)(i), Affiliate shall not include any Person which is an individual. Written notice given under this Section 3.05(b) shall include without limitation the name of the transferee, the Exercise Percentage transferred to such transferee, the date of the transfer and the transferee's address for notice purposes.

(c) The Company shall from time to time note the permitted transfer of any outstanding Warrant Certificates in a warrant register to be maintained by the Company upon surrender thereof accompanied by a written instrument or instruments of transfer in form satisfactory to the Company duly executed by the Holder or Holders thereof or by the duly appointed legal representative thereof or by a duly authorized attorney. Upon any such registration of transfer, a new Warrant Certificate or Warrant Certificates will be issued to (x) the transferee representing a Warrant for the Exercise Percentage specified in the foregoing written notice in accordance with instructions in the form of assignment and (y) the transferor representing a Warrant for the remaining Exercise Percentage not transferred, if any.

(d) Warrant Certificates may be exchanged at the option of the Holder(s) thereof when surrendered to the Company at the address set forth in Section 6.10 hereof for another Warrant Certificate or Warrant Certificates of like tenor and representing in the aggregate a Warrant or Warrants for a like Exercise Percentage.

SECTION 3.06. Mutilated, Lost, Stolen or Destroyed Warrant Certificates. If any Warrant Certificate shall be mutilated, lost, stolen or destroyed, the Company shall issue, execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Warrant Certificate, or in lieu of or in substitution for a lost, stolen or destroyed Warrant Certificate, a new Warrant Certificate representing a Warrant for an equivalent Exercise Percentage. The Holder of the mutilated, lost, stolen or destroyed Warrant Certificates must provide reasonable

indemnity sufficient to protect the Company from any loss which it may suffer if the Warrant Certificate is replaced; it being understood and agreed that, in the case of Bayer or any of its Affiliates, its written agreement to indemnify, shall be sufficient. Any such new Warrant Certificate shall constitute an original contractual obligation of the Company, whether or not the allegedly mutilated, lost, stolen or destroyed Warrant Certificate shall be at any time enforceable by anyone. The mutilated, lost, stolen or destroyed Warrant Certificate that has been substituted shall no longer be valid.

SECTION 3.07. Cancellation of Warrant Certificates. Any Warrant Certificate surrendered upon the exercise of a Warrant or for exchange or transfer shall be canceled and shall not be reissued by the Company; and, except as provided in Section 4.04 hereof in case of the exercise of less than the whole Warrant evidenced by a Warrant Certificate or in Section 3.05 in an exchange or transfer, no Warrant Certificate shall be issued hereunder in lieu of such canceled Warrant Certificate. Any Warrant Certificate so canceled shall be destroyed by the Company.

#### ARTICLE IV WARRANT EXERCISE PRICE AND EXERCISE OF WARRANTS

SECTION 4.01. Exercise Price. Each Warrant Certificate shall, when signed by an Officer of the Company, entitle the Holder thereof to purchase from the Company, subject to the terms and conditions of this Agreement, the number of fully paid and nonassessable Warrant Shares evidenced thereby at a purchase price of \$0.01 per share or such adjusted number of Warrant Shares at such adjusted purchase price as may be established from time to time pursuant to the provisions of Article V hereof (the initial purchase price, as so adjusted, if applicable, the "Exercise Price"), payable in full in accordance with Section 4.02 hereof, at the time of exercise of the Warrant.

SECTION 4.02. Exercise of Warrants. (a) The Warrant(s) shall be exercisable at any time or from time to time from the date of issuance until the Expiration Date. Each Warrant shall be exercisable for the number of Warrant Shares equal to the Exercise Amount calculated based on the Exercise Percentage specified therein, subject, in each case, to the adjustments set forth in Article V. The Warrant(s) may be exercised in whole or in part as to any permitted Exercise Percentage. The Exercise Amount for each exercise of a Warrant shall be calculated using the following formula:

$$\begin{aligned} \text{Exercise Amount} = \\ (1.75\% * E * N) \\ \text{Divided by} \\ [1-1.75\%*(A+R)] \end{aligned}$$

Where:

E = Exercise Percentage being exercised by Holder

N = Number of shares of Common Stock outstanding on a Fully Diluted Basis before exercise of the Warrant, not including outstanding Warrants issued hereunder

A = Aggregate Exercise Percentage held by exercising Holder *before* exercise of the Warrant

R = Remaining Exercise Percentage held by all other Holders (not including the exercising Holder)

\* = Multiplied by

; provided that (i) the number of shares of Common Stock outstanding on a Fully Diluted Basis before exercise of the Warrant, not including outstanding Warrants issued hereunder and (ii) the summation of (A + R), each shall become fixed as of the IPO Date.

(b) The Warrants may be exercised by surrendering the Warrant Certificates representing such Warrants to the Company at its address set forth in Section 6.10 hereof, together with the Election to Purchase and an Investment Representation Statement substantially in the form attached as Exhibit B hereto, both duly completed and executed, accompanied by payment in full, as set forth in Section 4.02(c), to the Company of the Exercise Price for each Warrant Share in respect of which such Warrants are being exercised.

(c) The Exercise Price shall be paid in full: (i) by certified check or wire transfer in same day funds in an amount equal to the Exercise Price multiplied by the number of Warrant Shares then being purchased, (ii) by cancellation of a number of the Warrant Shares otherwise issuable to the Holder, such that the excess of the aggregate current Fair Market Value of such specified number of Warrant Shares on the Date of Exercise over the portion of the Exercise Price attributable to such specified number of Warrant Shares shall equal the aggregate Exercise Price attributable to the Warrant Shares to be issued or (iii) by a combination of the methods described in clauses (i) and (ii).

(d) For illustrative purposes, Exhibit C sets forth examples of the number of Warrant Shares issuable upon a series of hypothetical exercises of the Warrants, in full and in part, under differing scenarios taking into consideration the change in the calculation of the Exercise Amount resulting from the date of exercise of the Warrants taking place either prior to the IPO Date or on or after the IPO Date.

SECTION 4.03. Issuance of Warrant Shares. As soon as practicable on or after a Date of Exercise of any Warrants, the Company shall issue, or cause the Transfer Agent to issue, a certificate or certificates for the number of full Warrant Shares equal to the Exercise Amount rounded down to the nearest full share, registered in accordance with the instructions set forth in the Election to Purchase. All Warrant Shares issued upon the exercise of any Warrant in accordance with the Warrant Certificate and this Agreement shall be validly authorized and issued, fully paid, nonassessable, free of preemptive rights and, subject to Section 6.01 hereof, free from all taxes, liens, charges and security interests in respect of the issuance thereof. Each Person in whose name any such certificate for Warrant Shares is issued shall be deemed for all purposes to have become the holder of record of the Common Stock represented thereby on the Date of Exercise of the Warrant resulting in the issuance of such shares, irrespective of the date of issuance or delivery of such certificate for Warrant Shares.

SECTION 4.04. Certificates for Unexercised Warrants. In the event that, prior to the Expiration Date, a Warrant Certificate is exercised in respect of less than all of the Exercise Percentage specified therein, a new Warrant Certificate representing a Warrant for the remaining Exercise Percentage shall be issued and delivered pursuant to the provisions hereof.

SECTION 4.05. Reservation of Shares. The Company shall at all times reserve and keep available, solely for issuance and delivery upon exercise of the Warrants, the number of Warrant Shares from time to time issuable upon exercise of the Warrants. The transfer agent for the Common Stock, which may be the Company (the "Transfer Agent"), and every subsequent Transfer Agent for any shares of the Company's capital stock issuable upon the exercise of any of the purchase rights represented by the Warrants, are hereby irrevocably authorized and directed at all times until the Expiration Date to reserve such number of authorized and unissued shares as shall be requisite for such purpose. The Company shall keep copies of each Warrant on file with the Transfer Agent for the Common Stock and with every subsequent Transfer Agent for any shares of the Company's capital stock issuable upon the exercise of the rights of purchase represented by the Warrants. All Warrants surrendered upon the exercise of the rights thereby evidenced and not required to be returned to the Holder pursuant hereto shall be canceled.

SECTION 4.06. No Impairment. The Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of the Warrants, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holders against impairment.

SECTION 4.07. Expiration of Warrants. Each Warrant not exercised prior to the Expiration Date shall become void and all rights thereunder and all rights in respect thereof under this Agreement shall cease as of such time.

ARTICLE V  
ADJUSTMENTS AND NOTICE PROVISIONS

SECTION 5.01. Adjustment of Exercise Price; Adjustment of Number of Shares.

(a) In case the Company shall declare a dividend or make a distribution on the outstanding shares of its Common Stock (including any distribution upon liquidation, dissolution or winding up), holders of Warrants shall be entitled to receive a pro rata portion of such dividend or distribution on an "as if" exercised basis upon the exercise of the Warrants. In case the Company shall (i) subdivide or reclassify the outstanding shares of its Common Stock into a greater number of shares or (ii) combine or reclassify the outstanding shares of its Common Stock into a smaller number of shares, or any similar event shall occur, the Exercise Price in effect immediately after the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding immediately before such subdivision, combination or reclassification, and of which the denominator shall be the number of shares of Common Stock

outstanding immediately after such subdivision, combination or reclassification. Such adjustment shall be made successively whenever any event specified above shall occur.

(b) In connection with each adjustment of the Exercise Price pursuant to Section 5.01(a) hereof, but only if such adjustment occurs after the IPO Date, each Warrant shall thereupon evidence the right to purchase that number of Warrant Shares obtained by multiplying the number of Warrant Shares purchasable immediately prior to such adjustment upon exercise of the Warrant by the Exercise Price in effect immediately prior to such adjustment and dividing the product so obtained by the Exercise Price in effect immediately after such adjustment.

SECTION 5.02. Reorganizations. In case of any capital reorganization, other than in the cases referred to in Section 5.01 hereof, or the consolidation or merger of the Company with or into another corporation (other than a merger or consolidation in which the Company is the continuing corporation and which does not result in any reclassification of the outstanding shares of Common Stock or the conversion of such outstanding shares of Common Stock into shares of other stock or other securities or property) (collectively such actions being hereinafter referred to as "Reorganizations"), there shall thereafter be deliverable upon exercise of any Warrant (in lieu of the number of Warrant Shares theretofore deliverable) the number of shares of stock or cash or other securities or property to which a Holder (of the number of Warrant Shares which would otherwise have been deliverable upon the exercise of such Warrants) would have been entitled upon such Reorganization if such Warrant had been exercised in full immediately prior to such Reorganization. In case of any Reorganization, appropriate adjustment, as determined in good faith by the Board of Directors, shall be made in the application of the provisions herein set forth with respect to the rights and interests of Holders so that the provisions set forth herein shall thereafter be applicable, as nearly as possible, in relation to any shares or cash or other securities or property thereafter deliverable upon exercise of Warrants. Any such adjustment shall be made by and set forth in a supplemental agreement between the Company and any successor thereto. The Company shall not effect any such Reorganization unless upon or prior to the consummation thereof the successor corporation, or if the Company shall be the surviving corporation in any such Reorganization and is not the issuer of the shares of stock or other securities or property to be delivered to holders of shares of the Common Stock outstanding at the effective time thereof then such issuer, shall assume by written instrument the obligation to deliver to the Holder of any Warrant Certificate such shares or cash or other securities or property as such Holder shall be entitled to purchase in accordance with the foregoing provisions.

SECTION 5.03. Notice of Certain Actions. In the event the Company shall (a) declare any dividend payable in stock to the holders of its Common Stock or make any other distribution in property other than cash to the holders of its Common Stock, (b) offer to all holders of its Common Stock rights to subscribe for or purchase any shares of any class of stock or any other rights or options, (c) effect or approve or enter into any arrangements to effect an Initial Public Offering, (d) effect any reclassification of its Common Stock (other than a reclassification involving merely the subdivision or combination of outstanding shares of Common Stock), (e) effect or approve any capital reorganization or any consolidation or merger (other than a merger in which no distribution of cash, securities or other property is made to holders of Common Stock), (f) effect or approve any Substantial Disposition Transaction, or (g) effect or approve the liquidation, dissolution or winding up of the Company; then, in each such

case, the Company shall cause notice of such proposed action to be mailed to each Holder in the manner set forth below. Such notice shall specify the date on which the books of the Company shall close, or a record be taken, for determining holders of Common Stock entitled to receive such stock dividend or other distribution or such rights or options, or the date on which such reclassification, reorganization, consolidation, merger, sale, transfer, other disposition, liquidation, dissolution, winding up or exchange shall take place or commence, as the case may be, and the date as of which it is expected that holders of record of Common Stock shall be entitled to receive cash, securities or other property deliverable upon such action, if any such date has been fixed. Such notice shall be mailed in the case of any action covered by clause (a) or (b) of this Section 5.03 at least ten (10) days prior to the record date for determining holders of the Common Stock for purposes of receiving such payment or offer; in the case of any action covered by clause (c) above, within ten (10) days of the action giving rise to the obligation to mail such notice; and in the case of any action covered by clause (d), (e), (f) or (g) above, at least 10 days prior to the earlier of the date upon which such action is to take place or any record date to determine holders of Common Stock entitled to receive such cash, securities or other property.

SECTION 5.04. Certificate of Adjustments. Whenever any adjustment is to be made pursuant to this Article V, the Company shall prepare a certificate executed by an Officer of the Company setting forth such adjustments to be mailed to each Holder, such notice to include in reasonable detail: (a) the events in respect of which the adjustment is being made, (b) the computation of any adjustments, and (c) the Exercise Price and the number of shares or the cash or other securities or property purchasable upon exercise of each Warrant after giving effect to such adjustment. Such notice shall be given promptly after the events in respect of which the adjustment is being made have occurred.

SECTION 5.05. Warrant Certificate Amendments. Irrespective of any adjustments pursuant to this Article V, Warrant Certificates theretofore or thereafter issued need not be amended or replaced, but certificates thereafter issued shall bear an appropriate legend or other notice of any adjustments; *provided, however*, that the Company may, at its option, issue new Warrant Certificates evidencing Warrants in such form as may be approved by the Board of Directors to reflect any adjustment in the Exercise Price and number of Warrant Shares purchasable under the Warrants.

SECTION 5.06. Fractional Shares. No fractional shares of Common Stock will be issued in connection with any exercise hereunder. In lieu of any remaining fractional share that may exist after aggregating all fractional shares for any Holder, the Company may pay an amount of cash to such Holder equal to the fraction multiplied by the Fair Market Value of a share of Common Stock.

#### ARTICLE VI MISCELLANEOUS

SECTION 6.01. Payment of Taxes and Charges. The applicable Holder will pay all taxes and other government charges in connection with the issuance or delivery of the Warrants and the issuance or delivery of Warrant Shares upon the exercise of any Warrants and payment of the Exercise Price. The Company shall not pay any income taxes or transfer taxes in connection with the subsequent transfer of Warrants or any transfer involved in the issuance and



delivery of Warrant Shares in a name other than the name in which the Warrants to which such issuance relates were registered, and, if any such tax would otherwise be payable by the Company, no such issuance or delivery shall be made unless and until the Person requesting such issuance has paid to the Company the amount of any such tax, or it is established to the reasonable satisfaction of the Company that any such tax has been paid.

SECTION 6.02. Periodic Information Requests. For so long as the Warrants are outstanding, and until such time or the Company has consummated an Initial Public Offering, the Company shall prepare and furnish to the Holders: (i) on an annual basis within one hundred and twenty (120) days following the end of each fiscal year, audited consolidated financial statements of the Company for such fiscal year and the budget and financial plan of the Company approved by the Board of Directors for the following fiscal year, including projected financial statements, (ii) on a quarterly basis within forty five (45) days following the end of each fiscal quarter, quarterly consolidated financial statements for such fiscal quarter and budgets and cash flow projections used in the normal management of the Company's affairs and (iii) such other management and financial information as any Holder may reasonably request.

SECTION 6.03. Registration Rights. The Warrant Shares issuable upon exercise of the Warrants shall have registration rights identified as applicable to Bayer in an Investors' Rights Agreement substantially in the form attached hereto as Exhibit D.

SECTION 6.04. Governing Law. This Agreement and each Warrant Certificate issued hereunder shall be governed by the laws of the State of New York without regard to principles of conflicts of laws thereof, except to the extent that the laws of the State of Delaware may be mandatorily applicable.

SECTION 6.05. Jurisdiction; Waiver of Jury Trial. (a) Each of the parties hereto irrevocably submits to the jurisdiction of (i) the Supreme Court of the State of New York, New York County, and (ii) the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, any agreement entered into in connection with this Agreement or any transaction contemplated hereby or thereby. Each of the parties hereto agrees to commence any action, suit or proceeding relating hereto in the United States District Court for the Southern District of New York or, if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the Supreme Court of the State of New York, New York County. Each of the parties hereto further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth in Section 6.10 hereof shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction in this clause. Each of the parties hereto irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement, any agreement entered into in connection with this Agreement or the transactions contemplated hereby or thereby in (x) the Supreme Court of New York, New York County, or (y) the United States District Court for the Southern District of New York, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation arising out of or relating to this Agreement. Each party (i) certifies that no representative, agent or attorney of another party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications set forth above in this Section 6.05.

SECTION 6.06. No Rights or Liabilities as Shareholder. Nothing contained in this Agreement shall be construed as conferring upon any Holder any rights as a shareholder of the Company or as imposing any obligation on any Holder to purchase any securities or as imposing any liabilities on any Holder as a shareholder of the Company, whether such obligation or liabilities are asserted by the Company or by creditors of the Company.

SECTION 6.07. Successor and Assigns. This Agreement and the rights and duties of the parties hereto shall be binding upon and shall inure to the benefit of the parties hereto and their respective executors, administrators, heirs, successors and permitted assigns.

SECTION 6.08. Descriptive Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of terms contained herein.

SECTION 6.09. Amendment. This Agreement may be amended only by a written instrument signed by the Company and Bayer.

SECTION 6.10. Notices. All notices and other communications provided for herein shall be dated and in writing and shall be deemed to have been duly given when sent by nationally recognized express courier or registered or certified mail, return receipt requested, postage prepaid and when received, if delivered personally or otherwise, to the Party to whom it is directed at its address indicated below:

If to Bayer:                    Bayer Schering Pharma AG  
    Muellerstrasse 178, D-13342  
    Berlin, Germany  
    Attn: Legal Department

With a copy to:                Berlex, Inc.  
    340 Changebridge Road  
    Pine Brook, NJ 07058  
    Attn: Berlex Pharmaceuticals Legal Department

-and-

Berlex, Inc.  
340 Changebridge Road  
Pine Brook, NJ 07058  
Attn: Corporate Business Development

-and-

Cravath, Swaine & Moore LLP  
Worldwide Plaza  
825 Eighth Avenue  
New York, New York 10019  
Attention: Peter S. Wilson, Esq.

If to Company: Syndax Pharmaceuticals, Inc.  
12481 High Bluff Drive, Suite 150  
San Diego, CA 92130  
Attn: President & CEO

With a copy to: Reed Smith, LLP  
1901 Avenue of the Stars, Suite 700  
Los Angeles, CA 90067  
Attn: Michael Sanders, Esq.

or at such other address as may have been specified by notice in writing to the other parties; *provided* that any such notice of change of address shall be deemed to have been duly given only when actually received.

SECTION 6.11. Defects in Notice. Failure to file any certificate or notice or to mail any notice, or any defect in any certificate or notice pursuant to this Agreement shall not affect in any way the rights of any Holder or the legality or validity of any adjustment made pursuant to Article V hereof, or any transaction giving rise to any such adjustment, or the legality or validity of any action taken or to be taken by the Company.

SECTION 6.12. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same Agreement.

SECTION 6.13. Severability. If any provision of this Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any Person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion thereof) or the application of such provision to any other Persons or circumstances.

SECTION 6.14. Integration. This Agreement and the exhibits hereto which form a part hereof contain the entire understanding of the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings between the parties with respect to the subject matter hereof.

*\* \* \* signature page follows \* \* \**

IN WITNESS WHEREOF, this Warrant Agreement has been duly executed by the parties as of the day and year first above written.

**BAYER SCHERING PHARMA AG**

By: /s/ Ulrich Grohé  
Print Name: Ulrich Grohé  
Title: General Counsel

By: /s/ Ulrich Köstlin  
Print Name: Dr. Ulrich Köstlin  
Title: Member of the Executive Board

**SYNDAX PHARMACEUTICALS, INC.**

By: /s/ Joanna C. Horobin  
Print Name: Joanna C. Horobin  
Title: President & CEO

[Form of]  
Warrant Certificate

NEITHER THE SECURITY REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY JURISDICTION. THIS SECURITY AND THE SECURITIES ISSUABLE UPON ITS EXERCISE MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED, ASSIGNED, ENCUMBERED, HYPOTHECATED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (I) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES THAT IS EFFECTIVE UNDER SUCH ACT OR APPLICABLE STATE SECURITIES LAW, OR (II) ANY EXEMPTION FROM REGISTRATION UNDER SUCH ACT, OR APPLICABLE STATE SECURITIES LAW, RELATING TO THE DISPOSITION OF SECURITIES, INCLUDING RULE 144, AND, IF REQUESTED BY THE COMPANY, AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY OPINING AS TO SUCH EXEMPTION.

THIS SECURITY IS SUBJECT TO THE PROVISIONS OF THE WARRANT AGREEMENT, DATED AS OF MARCH 26, 2007, BETWEEN THE COMPANY AND BAYER SCHERING PHARMA AG. A COPY OF SUCH WARRANT AGREEMENT IS AVAILABLE AT THE OFFICES OF THE COMPANY.

No. \_\_\_\_\_

Exercise Percentage \_\_\_\_\_

SYNDAX PHARMACEUTICALS, INC.

WARRANT CERTIFICATE

THIS CERTIFIES that Bayer Schering Pharma AG or its registered assigns is the registered holder (the "Registered Holder") of a Warrant representing the right to purchase the number, as determined below, of fully paid and nonassessable shares of common stock, par value \$0.0001 per share (the "Common Stock"), of Syndax Pharmaceuticals, Inc. (the "Company"), a corporation organized under the laws of the State of Delaware at the Exercise Price at the times specified in the Warrant Agreement (as hereinafter defined), by surrendering this Warrant Certificate, with the form of Election to Purchase attached hereto duly executed together with the Investment Representation Statement annexed to the Warrant Agreement as Exhibit B and by paying in full the Exercise Price for the number of shares of Common Stock equal to the Exercise Amount. Payment of the Exercise Price shall be made as set forth in the Warrant Agreement. Upon initial issuance this Warrant Certificate represents the right to acquire, upon

exercise in full, such number of shares of Common Stock as is issuable upon an exercise of the Warrant as to the Exercise Percentage specified herein.<sup>1</sup>

No Warrant may be exercised after the Expiration Date. The Warrant evidenced hereby shall thereafter become void, subject to the terms of the Warrant Agreement.

Prior to the Expiration Date, subject to Section 3.05 of the Warrant Agreement and any applicable laws, rules or regulations restricting transferability and to any restriction on transferability that may appear on this Warrant Certificate and in accordance with the terms of the Warrant Agreement, the Registered Holder shall be entitled to transfer this Warrant Certificate, in whole or in part, upon surrender of this Warrant Certificate at the principal office of the Company with the form of assignment set forth hereon duly executed; provided that, (i) for transfers made to a Person other than an Affiliate, written notice is given to the Company at least 10 Business Days before the transfer and the transferor shall provide, at the Company's request, an opinion of counsel reasonably satisfactory to the Company that such transfer does not require registration under the Securities Act, (ii) the transfer shall be for a portion of this Warrant Certificate not less than the Minimum Exercise Threshold, (iii) the Holder shall provide written notice to the Company of any transfer to an Affiliate within 10 Business Days after the transfer, and (iv) the transferee shall agree to be bound by the terms of this Agreement; provided further that for purposes of this proviso, Affiliate shall not include any Person which is an individual. Written notice given under this paragraph shall include without limitation the name of the transferee, the Exercise Percentage transferred to such transferee, the date of the transfer and the transferee's address for notice purposes. Upon any such transfer, a new Warrant Certificate or Warrant Certificates will be issued to (x) the transferee representing a Warrant for the Exercise Percentage specified in the foregoing written notice in accordance with instructions in the form of assignment and (y) the transferor representing a Warrant for the remaining Exercise Percentage not transferred, if any.

Upon the exercise of a Warrant for less than all of the Exercise Percentage evidenced by this Warrant Certificate, there shall be issued to the Registered Holder a new Warrant Certificate in respect of the portion of the Exercise Percentage not exercised.

Prior to the Expiration Date, the Registered Holder shall be entitled to exchange this Warrant Certificate, with or without other Warrant Certificates, for another Warrant Certificate or Warrant Certificates for a Warrant or Warrants for the same aggregate Exercise Percentage upon surrender of this Warrant Certificate at the principal office of the Company, subject to the terms of the Warrant Agreement.

<sup>1</sup> (i) In the case of a Warrant Certificate issued after a partial exercise, replace the Exercise Percentage specified herein with the amount equal to the Exercise Percentage specified herein minus the Exercise Percentage being exercised; (ii) in the case of Warrant Certificates issued on transfer, (x) use the transferred Exercise Percentage for the transferee and (y) replace the Exercise Percentage specified herein with the remaining Exercise Percentage for the transferor and (iii) in the case of Warrant Certificates issued after a transfer and a subsequent partial exercise, replace the Exercise Percentage specified herein with the Exercise Percentage of the Warrant Certificate immediately after the transfer reduced by the percentage of the Exercise Percentage exercised in the partial exercise.

Upon certain events provided for in the Warrant Agreement, the Exercise Price and the shares of Common Stock issuable upon the exercise of each Warrant shall be adjusted as provided in the Warrant Agreement.

This Warrant Certificate is issued under and in accordance with the Warrant Agreement dated as of March 26, 2007 (the "Warrant Agreement"), between the Company and Bayer Schering Pharma AG and is subject to the terms and provisions contained in the Warrant Agreement. All capitalized terms not defined herein shall have the meanings given such terms as set forth in the Warrant Agreement.

This Warrant Certificate shall not entitle the Registered Holder to any of the rights of a stockholder of the Company, including, without limitation, the right to vote, to receive dividends and other distributions, or to attend or receive any notice of meetings of stockholders or any other proceedings of the Company.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed as of the date set forth below.

Date \_\_\_\_\_

SYNDAX PHARMACEUTICALS, INC.

By: \_\_\_\_\_

Name:

Title:

[Form of Assignment]

FOR VALUE RECEIVED, the undersigned hereby irrevocably sells, assigns and transfers unto the Assignee named below all of the rights of the undersigned represented by the within Warrant Certificate, with respect to the number of Warrant Shares issuable upon exercise of the Warrant for the Exercise Percentage set forth below:

Name of Assignee

Address

Exercise Percentage

and does hereby irrevocably constitute and appoint \_\_\_\_\_ true and lawful Attorney, to make such transfer on the books of **Syndax Pharmaceuticals, Inc.** maintained for that purpose, with full power of substitution in the premises.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate.)



[Form of Election To Purchase]

The undersigned hereby irrevocably elects to exercise the Warrant represented by this Warrant Certificate as to an Exercise Percentage of \_\_\_%<sup>2</sup>, which represents an Exercise Amount of \_\_\_\_\_<sup>3</sup> shares of Common Stock of **Syndax Pharmaceuticals, Inc.** (the "Company"), based on the number of shares of Common Stock outstanding on a Fully Diluted Basis equal to \_\_\_\_\_<sup>4</sup> shares, and requests that certificates for such shares be issued and delivered as follows:

ISSUE TO: \_\_\_\_\_  
(NAME)

\_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

\_\_\_\_\_  
(SOCIAL SECURITY OR OTHER IDENTIFICATION NUMBER)

DELIVER TO: \_\_\_\_\_  
(NAME)

at \_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

In full payment of the purchase price with respect to the exercise of Warrants, the undersigned:

- hereby tenders payment of \$ \_\_\_\_\_ by cash, certified check, cashier's check or money order payable in United States currency to the order of the Company; or
- hereby delivers to the Company for cancellation the portion of the Warrant representing that number of Warrant Shares otherwise issuable to the holder, such that the excess of the aggregate current Fair Market Value of such specified number of Warrant Shares on the Date of Exercise over the portion of the Exercise Price attributable to such specified number of Warrant Shares shall equal the aggregate Exercise Price attributable to the Warrant Shares being purchased.

<sup>2</sup> Holder shall fill in the applicable permitted Exercise Percentage.

<sup>3</sup> The Company shall fill in the Exercise Amount.

<sup>4</sup> The Company shall fill in the number of outstanding shares of Common Stock on a Fully Diluted Basis (which shall become fixed on the IPO Date).

If the Warrant hereby exercised is less than the whole Warrant represented by this Warrant Certificate, the undersigned requests that a new Warrant Certificate representing the portion of the Warrant not exercised be issued and delivered as follows:

ISSUE TO: \_\_\_\_\_  
(NAME)

\_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

\_\_\_\_\_  
(SOCIAL SECURITY OR OTHER IDENTIFICATION NUMBER)

DELIVER TO: \_\_\_\_\_  
(NAME)

at \_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

Date: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
Signature

(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate.)

PLEASE INSERT SOCIAL SECURITY OR TAX I.D. NUMBER OF HOLDER

\_\_\_\_\_

## INVESTMENT REPRESENTATION STATEMENT

Shares of Common Stock  
of Syndax Pharmaceuticals, Inc.

In connection with the purchase of the above-listed securities the undersigned hereby represents to Syndax Pharmaceuticals, Inc. (the "Company") as follows:

1. Receipt of Information. The undersigned has received all the information it considers necessary or appropriate for deciding whether to purchase the Common Stock issuable upon exercise of the Warrant (the "Warrant") issued by the Company to the undersigned.

2. Investment Representation.

(a) The shares of stock to be received upon the exercise of the Warrant (the "Securities") will be acquired for investment for its own account, not as a nominee or agent, and not with a view to the sale or distribution of any part thereof, and the undersigned has no present intention of selling, granting participation in or otherwise distributing the same, but subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be within its control.

(b) The undersigned understands that the Securities issuable upon exercise of the Warrant at the time of issuance may not be registered under the Securities Act of 1933, as amended (the "Act"), and applicable state securities laws, on the ground that the issuance of such securities is exempt pursuant to Section 4(2) of the Act and state law exemptions relating to offers and sales not by means of a public offering, and that the Company's reliance on such exemptions is predicated in part on the undersigned's representations set forth herein.

(c) The undersigned agrees that in no event will it make a disposition of any Securities acquired upon the exercise of the Warrant (other than pursuant to Rule 144 or Rule 144A promulgated by the Securities and Exchange Commission under the Act or any similar or analogous rule) unless and until (x) for dispositions made to a Person other than an Affiliate of the Holder, (i) it shall have notified the Company of the proposed disposition and (if requested by the Company) shall have furnished the Company with a statement of the circumstances surrounding the proposed disposition, and (ii) it shall have furnished the Company with an opinion of counsel satisfactory to the company and the Company's counsel to the effect that (A) appropriate action necessary for compliance with the Act and any applicable state securities laws has been taken or an exemption from the registration requirements of the Act and such laws is available, and (B) that the proposed transfer will not violate any of said laws and (y) for dispositions made to an Affiliate of the Holder, it shall have notified the Company of the disposition within 10 Business Days after the disposition. For purposes of Section 2(c), Affiliate shall not include any Person which is an individual.

(d) The undersigned represents that it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investments.

(e) The undersigned acknowledges that the Securities issuable upon exercise of the Warrant must be held indefinitely unless subsequently registered under the Act or an exemption from such registration is available. The undersigned is aware of the provisions of Rule 144 promulgated under the Act which permit limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions. The undersigned is aware that the conditions for resale set forth in Rule 144 may not have been satisfied.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Typed or Printed Name)

\_\_\_\_\_  
(Title)

EXAMPLES OF CALCULATION OF WARRANT SHARES BEING EXERCISED ON A  
GIVEN EXERCISE DATE AND WARRANT SHARES REMAINING THEREAFTER

**Example A:**

Assuming that:

- (1) the number of shares of Common Stock outstanding on a fully diluted basis, *not* including the Warrant Shares, as of 15-Jan-07 = 100,000,000
- (2) an IPO has not been consummated as of 15-Dec-07; and
- (3) Bayer determines to exercise the Warrants in full on January 15, 2007.

Then:

$$\begin{aligned} \text{Exercise Amount} = & \\ & (1.75\% * E * N) \\ & \text{Divided by} \\ & [1-1.75\%*(A+R)] \end{aligned}$$

Where:

E = Exercise Percentage being exercised by Holder

N = Number of shares of Common Stock outstanding on a Fully Diluted Basis before exercise of the Warrant, not including outstanding Warrants issued hereunder

A = Aggregate Exercise Percentage held by exercising Holder *before* exercise of the Warrant

R = Remaining Exercise Percentage held by all other Holders (not including the exercising Holder)

\* = Multiplied by

where

(i) E = 100%

(ii) N = 100,000,000

(iii) A = 100%

(iv) R = 0%

Exercise Amount calculated as follows:

$$[(0.0175*1.00*100,000,000)/(1-0.0175*(1.00+0))] = 1,781,170.48$$

Accordingly Bayer would be issued **1,781,170 shares of Common Stock**, the number of shares of Common Stock outstanding on a Fully Diluted Basis following the exercise of the Warrant would be equal to 101,781,170 there would be no remaining unexercised portion of the Grant Percentage and no remaining Warrant Shares issuable.

**Example B:**

Assuming that:

(1) the number of shares of Common Stock outstanding on a fully diluted basis, **not** including the Warrant Shares, as of:

- 15-Jan-07 = 100,000,000
- 15-Mar-07 = 110,000,000
- 15-Aug-07 = 120,000,000
- 15-Dec-07 = 130,000,000;

(2) an IPO has not been consummated as of 15-Dec-07; and

(3) Bayer determines to exercise the Warrants as to an Exercise Percentage of 25% on each of the following dates:

- 15-Jan-07
- 15-Mar-07
- 15-Aug-07
- 15-Dec-07;

Then:

$$\begin{aligned} \text{Exercise Amount} = & \\ & (1.75\% * E * N) \\ & \text{Divided by} \\ & [1-1.75\%*(A+R)] \end{aligned}$$

Where:

E = Exercise Percentage being exercised by Holder

N = Number of shares of Common Stock outstanding on a Fully Diluted Basis before exercise of the Warrant, not including outstanding Warrants issued hereunder

A = Aggregate Exercise Percentage held by exercising Holder *before* exercise of the Warrant

R = Remaining Exercise Percentage held by all other Holders (not including the exercising Holder)

\* = Multiplied by

on 15-Jan-07, where

- (i) E = 25%
- (ii) N = 100,000,000
- (iii) A = 100%
- (iv) R = 0%

Exercise Amount calculated as follows:

$$[(0.0175*25*100,000,000)/(1-0.0175*(1.00+0))] = 445,292.61$$

Accordingly Bayer would be issued **445,292 shares of Common Stock** as of 15-Jan-07, the remaining aggregate exercise percentage held by all Holders would equal 75% and Warrant Shares remain issuable.

on 15-Mar-07

- (i) E = 25%
- (ii) N = 110,000,000
- (iii) A = 75%
- (iv) R = 0%

Exercise Amount calculated as follows:

$$[(0.0175 \cdot 25 \cdot 110,000,000) / (1 - 0.0175 \cdot (.75 + 0))] = 487,650.41$$

Accordingly Bayer would be issued **487,650 shares of Common Stock** as of 15-Mar-07, the remaining aggregate exercise percentage held by all Holders would equal 50% and Warrant Shares remain issuable.

on 15-Aug-07

- (i) E = 25%
- (ii) N = 120,000,000
- (iii) A = 50%
- (iv) R = 0%

Exercise Amount calculated as follows:

$$[(0.0175 \cdot 25 \cdot 120,000,000) / (1 - 0.0175 \cdot (.50 + 0))] = 529,634.30$$

Accordingly Bayer would be issued **529,634 shares of Common Stock** as of 15-Aug-07, the remaining aggregate exercise percentage held by all Holders would equal 25% and Warrant Shares remain issuable.

on 15-Dec-07

- (i) E = 25%
- (ii) N = 130,000,000
- (iii) A = 25%
- (iv) R = 0%

Exercise Amount calculated as follows:

$$[(0.0175 \cdot 25 \cdot 130,000,000) / (1 - 0.0175 \cdot (.25 + 0))] = 571,249.22$$

Accordingly Bayer would be issued **571,249 shares of Common Stock** as of 15-Dec-07 and no Warrant Shares remain issuable.

In total, at the end of all such exercises, Bayer would be issued 2,033,825 shares of Common Stock.

**Example C:**

Assuming that:

(1) the number of shares of Common Stock outstanding on a fully diluted basis, **not** including the Warrant Shares, as of:

15-Jan-07 = 100,000,000  
15-Aug-07 = 120,000,000  
15-Dec-07 = 120,000,000;

(2) **an IPO is consummated on 15-Aug-07**; and

(3) Bayer determines to exercise the Warrants as to an Exercise Percentage of 33 1/3% on each of the following dates:

15-Jan-07  
15-Dec-07  
01-Jan-09;

Then "Exercise Amount" shall mean...

$$\begin{aligned} \text{Exercise Amount} = & \\ & (1.75\% * E * N) \\ & \text{Divided by} \\ & [1-1.75\%*(A+R)] \end{aligned}$$

Where:

E = Exercise Percentage being exercised by Holder

N = Number of shares of Common Stock outstanding on a Fully Diluted Basis before exercise of the Warrant, not including outstanding Warrants issued hereunder

A = Aggregate Exercise Percentage held by exercising Holder *before* exercise of the Warrant

R = Remaining Exercise Percentage held by all other Holders (not including the exercising Holder)

\* = Multiplied by

; provided that (i) the number of shares of Common Stock outstanding on a Fully Diluted Basis before exercise of the Warrant, not including outstanding Warrants issued hereunder and (ii) the summation of (A + R), each shall become fixed as of the IPO Date.

where for the 15-Jan-07,

(i) E = 33.33%

(ii) N = 100,000,000

(iii) A = 100%

(iv) R = 0%

Exercise Amount calculated as follows:

$$[(0.0175*3333*100,000,000)/(1-0.0175*(1.00+0))]= 593,664.12$$

Accordingly Bayer would be issued **593,664 shares of Common Stock** as of 15-Jan-07, the remaining aggregate exercise percentage held by all Holders would equal 66.67% and Warrant Shares remain issuable.



on 15-Aug-07, the IPO Date

(i) N = 120,000,000

(ii) A = 66.67%

(iii) R = 0%

Note: The denominator of the calculation of Exercise Amount is fixed on the IPO Date.

on 15-Dec-07

(i) E = 33.34%

(ii) N = 120,000,000 (Fixed on the IPO Date)

(iii) A = 66.67% (Fixed on the IPO Date)

(iv) R = 0% (Fixed on the IPO Date)

Exercise Amount calculated as follows:

$$[(0.0175 * .3334 * 120,000,000) / (1 - 0.0175 * (.6667 + 0))] = 708,298.90$$

Accordingly Bayer would be issued **708,298 shares of Common Stock** as of 15-Dec-07, and there would be 708,298 Warrant Shares remaining issuable.

on 01-Jan-09

(i) E = 33.34%

(ii) N = 120,000,000 (Fixed on the IPO Date)

(iii) A = 66.67% (Fixed on the IPO Date)

(iv) R = 0% (Fixed on the IPO Date)

Exercise Amount calculated as follows:

$$[(0.0175 * .3334 * 120,000,000) / (1 - 0.0175 * (.6667 + 0))] = 708,298.90$$

Accordingly Bayer would be issued **708,298 shares of Common Stock** as of 01-Jan-09, and there would be no Warrant Shares remaining issuable.

In total, at the end of all such exercises, Bayer would be issued 2,010,260 shares of Common Stock.

**Example D:**

Assuming that:

(1) the number of shares of Common Stock outstanding on a fully diluted basis, **not** including the Warrant Shares, as of:

15-Jan-07 = 100,000,000  
15-Aug-07 = 120,000,000  
15-Dec-07 = 130,000,000;

(2) an IPO is consummated on 15-Aug-07; and

(3) Bayer determines to:

transfer 50% of the Warrants to an Affiliate on 14-Jan-07, which then determines to exercise its Warrants in 2 approximately equal parts on 15-Jan-07 and 15-Dec-07; and Bayer exercises its remaining Warrants in full on 15-Dec-07;

Then "Exercise Amount" shall mean...

$$\begin{aligned} \text{Exercise Amount} = & \\ & (1.75\% * E * N) \\ & \text{Divided by} \\ & [1-1.75\%*(A+R)] \end{aligned}$$

Where:

E = Exercise Percentage being exercised by Holder

N = Number of shares of Common Stock outstanding on a Fully Diluted Basis before exercise of the Warrant, not including outstanding Warrants issued hereunder

A = Aggregate Exercise Percentage held by exercising Holder *before* exercise of the Warrant

R = Remaining Exercise Percentage held by all other Holders (not including the exercising Holder)

\* = Multiplied by

; provided that (i) the number of shares of Common Stock outstanding on a Fully Diluted Basis before exercise of the Warrant, not including outstanding Warrants issued hereunder and (ii) the summation of (A + R), each shall become fixed as of the IPO Date.

where on 15-Jan-07 the Transferee's

(i) E = 25%

(ii) N = 100,000,000

(iii) A = 50%

(iv) R = 50%

Exercise Amount calculated as follows:

$$[(0.0175 * .25 * 100,000,000) / (1 - 0.0175 * (.50 + .50))] = 445,292.61$$

Accordingly the Transferee would be issued **445,292 shares of Common Stock** as of 15-Jan-07, Bayer's remaining Exercise Percentage would equal 50% while Transferee's would be 25% and Warrant Shares remain issuable.

on 15-Aug-07, the IPO Date

- (i) N = 120,000,000
- (ii) A = 25%
- (iii) R = 50%

on 15-Dec-07 for Transferee's exercise

- (i) E = 25%
- (ii) N = 120,000,000 (Fixed at IPO Date)
- (iii) A = 25% (Fixed at IPO Date)
- (iv) R = 50% (Fixed at IPO Date)

Exercise Amount calculated as follows:

$$[(0.0175 * .25 * 120,000,000) / (1 - 0.0175 * (.25 + .50))] = 531,982.26$$

Accordingly the Holder would be issued **531,982 shares of Common Stock** as of 15-Dec-07.

on 15-Dec-07 for Bayer's exercise

- (i) E = 50%
- (ii) N = 120,000,000 (Fixed at IPO Date)
- (iii) A = 25% (Fixed at IPO Date)
- (iv) R = 50% (Fixed at IPO Date)

Exercise Amount calculated as follows:

$$[(0.0175 * .50 * 120,000,000) / (1 - 0.0175 * (.25 + .50))] = 1,063,964.53$$

Accordingly Bayer would be issued **1,063,964 shares of Common Stock** as of 15-Dec-07.

Form of Investors' Rights Agreement

## SYNDAX PHARMACEUTICALS, INC.

## 2007 STOCK PLAN

1. **Purposes of the Plan.** The purposes of this 2007 Stock Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Employees and Consultants and to promote the success of the Company's business. Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options, as determined by the Administrator at the time of grant of an option and subject to the applicable provisions of Section 422 of the Code and the regulations and interpretations promulgated thereunder. Stock purchase rights may also be granted under the Plan.

2. **Definitions.** As used herein, the following definitions shall apply:

(a) "**Administrator**" means the Board or its Committee appointed pursuant to Section 4 of the Plan.

(b) "**Affiliate**" means an entity other than a Subsidiary (as defined below) which, together with the Company, is under common control of a third person or entity.

(c) "**Applicable Laws**" means the legal requirements relating to the administration of stock option and restricted stock purchase plans, including under applicable U.S. state corporate laws, U.S. federal and applicable state securities laws, other U.S. federal and state laws, the Code, any Stock Exchange rules or regulations and the applicable laws, rules and regulations of any other country or jurisdiction where Options or Stock Purchase Rights are granted under the Plan, as such laws, rules, regulations and requirements shall be in place from time to time.

(d) "**Board**" means the Board of Directors of the Company.

(e) "**Change of Control**" means (1) a sale of all or substantially all of the Company's assets, or (2) any merger, consolidation or other business combination transaction of the Company with or into another corporation, entity or person, other than a transaction in which the holders of at least a majority of the shares of voting capital stock of the Company outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding or by their being converted into shares of voting capital stock of the surviving entity) a majority of the total voting power represented by the shares of voting capital stock of the Company (or the surviving entity) outstanding immediately after such transaction, or (3) the direct or indirect acquisition (including by way of a tender or exchange offer) by any person, or persons acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing a majority of the voting power of the then outstanding shares of capital stock of the Company.

(f) "**Code**" means the Internal Revenue Code of 1986, as amended.

(g) "**Committee**" means one or more committees or subcommittees of the Board appointed by the Board to administer the Plan in accordance with Section 4 below.

(h) “**Common Stock**” means the Common Stock of the Company.

(i) “**Company**” means Syndax Pharmaceuticals, Inc., a Delaware corporation.

(j) “**Consultant**” means any person, including an advisor, who is engaged by the Company or any Parent, Subsidiary or Affiliate to render services and is compensated for such services, and any director of the Company whether compensated for such services or not.

(k) “**Continuous Service Status**” means the absence of any interruption or termination of service as an Employee or Consultant. Continuous Service Status as an Employee or Consultant shall not be considered interrupted in the case of: (i) sick leave; (ii) military leave; (iii) any other leave of absence approved by the Administrator, provided that such leave is for a period of not more than ninety (90) days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to Company policy adopted from time to time; or (iv) in the case of transfers between locations of the Company or between the Company, its Parents, Subsidiaries, Affiliates or their respective successors. A change in status from an Employee to a Consultant or from a Consultant to an Employee will not constitute an interruption of Continuous Service Status.

(l) “**Corporate Transaction**” means a sale of all or substantially all of the Company’s assets, or a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, entity or person, or the direct or indirect acquisition (including by way of a tender or exchange offer) by any person, or persons acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing a majority of the voting power of the then outstanding shares of capital stock of the Company.

(m) “**Director**” means a member of the Board.

(n) “**Employee**” means any person employed by the Company or any Parent, Subsidiary or Affiliate, with the status of employment determined based upon such factors as are deemed appropriate by the Administrator in its discretion, subject to any requirements of the Code or the Applicable Laws. The payment by the Company of a director’s fee to a Director shall not be sufficient to constitute “employment” of such Director by the Company.

(o) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

(p) “**Fair Market Value**” means, as of any date, the fair market value of the Common Stock, as determined by the Administrator in good faith on such basis as it deems appropriate and applied consistently with respect to Participants. Whenever possible, the determination of Fair Market Value shall be based upon the closing price for the Shares as reported in *The Wall Street Journal* for the applicable date.

(q) “**Incentive Stock Option**” means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code, as designated in the applicable Option Agreement.

(r) "**Listed Security**" means any security of the Company that is listed or approved for listing on a national securities exchange or designated or approved for designation as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc.

(s) "**Named Executive**" means any individual who, on the last day of the Company's fiscal year, is the chief executive officer of the Company (or is acting in such capacity) or among the four most highly compensated officers of the Company (other than the chief executive officer). Such officer status shall be determined pursuant to the executive compensation disclosure rules under the Exchange Act.

(t) "**Nonstatutory Stock Option**" means an Option not intended to qualify as an Incentive Stock Option, as designated in the applicable Option Agreement.

(u) "**Option**" means a stock option granted pursuant to the Plan.

(v) "**Option Agreement**" means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of an Option granted under the Plan and includes any documents attached to or incorporated into such Option Agreement, including, but not limited to, a notice of stock option grant and a form of exercise notice.

(w) "**Option Exchange Program**" means a program approved by the Administrator whereby outstanding Options are exchanged for Options with a lower exercise price or are amended to decrease the exercise price as a result of a decline in the Fair Market Value of the Common Stock.

(x) "**Optioned Stock**" means the Common Stock subject to an Option.

(y) "**Optionee**" means an Employee or Consultant who receives an Option.

(z) "**Parent**" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code, or any successor provision.

(aa) "**Participant**" means any holder of one or more Options or Stock Purchase Rights, or the Shares issuable or issued upon exercise of such awards, under the Plan.

(bb) "**Plan**" means this 2007 Stock Plan.

(cc) "**Reporting Person**" means an officer, Director, or greater than ten percent stockholder of the Company within the meaning of Rule 16a-2 under the Exchange Act, who is required to file reports pursuant to Rule 16a-3 under the Exchange Act.

(dd) "**Restricted Stock**" means Shares of Common Stock acquired pursuant to a grant of a Stock Purchase Right under Section 11 below.

(ee) "**Restricted Stock Purchase Agreement**" means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms

of a Stock Purchase Right granted under the Plan and includes any documents attached to such agreement.

(ff) "**Rule 16b-3**" means Rule 16b-3 promulgated under the Exchange Act, as amended from time to time, or any successor provision.

(gg) "**Share**" means a share of the Common Stock, as adjusted in accordance with Section 14 of the Plan.

(hh) "**Stock Exchange**" means any stock exchange or consolidated stock price reporting system on which prices for the Common Stock are quoted at any given time.

(ii) "**Stock Purchase Right**" means the right to purchase Common Stock pursuant to Section 11 below.

(jj) "**Subsidiary**" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code, or any successor provision.

(kk) "**Ten Percent Holder**" means a person who owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary.

3. **Stock Subject to the Plan.** Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be sold under the Plan is 5,750,000. The Shares may be authorized, but unissued, or reacquired Common Stock. If an award should expire or become unexercisable for any reason without having been exercised in full, or is surrendered pursuant to an Option Exchange Program, the unpurchased Shares that were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan. In addition, any Shares of Common Stock which are retained by the Company upon exercise of an award in order to satisfy the exercise or purchase price for such award or any withholding taxes due with respect to such exercise or purchase shall be treated as not issued and shall continue to be available under the Plan. Shares issued under the Plan and later repurchased by the Company pursuant to any repurchase right which the Company may have shall be available for future grant under the Plan.

#### 4. **Administration of the Plan.**

(a) **General.** The Plan shall be administered by the Board or a Committee, or a combination thereof, as determined by the Board. The Plan may be administered by different administrative bodies with respect to different classes of Participants and, if permitted by the Applicable Laws, the Board may authorize one or more officers to make awards under the Plan.

(b) **Committee Composition.** If a Committee has been appointed pursuant to this Section 4, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. From time to time the Board may increase the size of any Committee and appoint additional members thereof, remove members (with or without cause) and appoint new members in substitution therefor, fill vacancies (however caused) and remove all members of a Committee and thereafter directly administer the Plan, all to the extent permitted by the



Applicable Laws and, in the case of a Committee administering the Plan in accordance with the requirements of Rule 16b-3 or Section 162(m) of the Code, to the extent permitted or required by such provisions. The Committee shall in all events conform to any requirements of the Applicable Laws.

(c) **Powers of the Administrator.** Subject to the provisions of the Plan and in the case of a Committee, the specific duties delegated by the Board to such Committee, the Administrator shall have the authority, in its discretion:

(i) to determine the Fair Market Value of the Common Stock, in accordance with Section 2(p) of the Plan, provided that such determination shall be applied consistently with respect to Participants under the Plan;

(ii) to select the Employees and Consultants to whom Plan awards may from time to time be granted;

(iii) to determine whether and to what extent Plan awards are granted;

(iv) to determine the number of Shares of Common Stock to be covered by each award granted;

(v) to approve the form(s) of agreement(s) used under the Plan;

(vi) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any award granted hereunder, which terms and conditions include but are not limited to the exercise or purchase price, the time or times when awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, any pro rata adjustment to vesting as a result of a Participant's transitioning from full- to part-time service (or vice versa), and any restriction or limitation regarding any Option, Optioned Stock, Stock Purchase Right or Restricted Stock, based in each case on such factors as the Administrator, in its sole discretion, shall determine;

(vii) to determine whether and under what circumstances an Option may be settled in cash under Section 10(c) instead of Common Stock;

(viii) to implement an Option Exchange Program on such terms and conditions as the Administrator in its discretion deems appropriate, provided that no amendment or adjustment to an Option that would materially and adversely affect the rights of any Optionee shall be made without the prior written consent of the Optionee;

(ix) to adjust the vesting of an Option held by an Employee or Consultant as a result of a change in the terms or conditions under which such person is providing services to the Company;

(x) to construe and interpret the terms of the Plan and awards granted under the Plan, which constructions, interpretations and decisions shall be final and binding on all Participants; and

(xi) in order to fulfill the purposes of the Plan and without amending the Plan, to modify grants of Options or Stock Purchase Rights to Participants who are foreign nationals or employed outside of the United States in order to recognize differences in local law, tax policies or customs.

5. **Eligibility.**

(a) **Recipients of Grants.** Nonstatutory Stock Options and Stock Purchase Rights may be granted to Employees and Consultants. Incentive Stock Options may be granted only to Employees, provided that Employees of Affiliates shall not be eligible to receive Incentive Stock Options.

(b) **Type of Option.** Each Option shall be designated in the Option Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option.

(c) **ISO \$100,000 Limitation.** Notwithstanding any designation under Section 5(b), to the extent that the aggregate Fair Market Value of Shares with respect to which Options designated as Incentive Stock Options are exercisable for the first time by any Optionee during any calendar year (under all plans of the Company or any Parent or Subsidiary) exceeds \$100,000, such excess Options shall be treated as Nonstatutory Stock Options. For purposes of this Section 5(c), Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares subject to an Incentive Stock Option shall be determined as of the date of the grant of such Option.

(d) **No Employment Rights.** The Plan shall not confer upon any Participant any right with respect to continuation of an employment or consulting relationship with the Company, nor shall it interfere in any way with such Participant's right or the Company's right to terminate the employment or consulting relationship at any time for any reason.

6. **Term of Plan.** The Plan shall become effective upon its adoption by the Board of Directors. It shall continue in effect for a term of ten (10) years unless sooner terminated under Section 16 of the Plan.

7. **Term of Option.** The term of each Option shall be the term stated in the Option Agreement; provided that the term shall be no more than ten (10) years from the date of grant thereof or such shorter term as may be provided in the Option Agreement and provided further that, in the case of an Incentive Stock Option granted to a person who at the time of such grant is a Ten Percent Holder, the term of the Option shall be five (5) years from the date of grant thereof or such shorter term as may be provided in the Option Agreement.

8. **[Reserved.]**

9. **Option Exercise Price and Consideration.**

(a) **Exercise Price.** The per Share exercise price for the Shares to be issued pursuant to exercise of an Option shall be such price as is determined by the Administrator and set forth in the Option Agreement, but shall be subject to the following:

(i) In the case of an Incentive Stock Option

(A) granted to an Employee who at the time of grant is a Ten Percent Holder, the per Share exercise price shall be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant; or

(B) granted to any other Employee, the per Share exercise price shall be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Nonstatutory Stock Option

(A) granted on any date on which the Common Stock is not a Listed Security to a person who at the time of grant is a Ten Percent Holder, the per Share exercise price shall be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant if required by the Applicable Laws and, if not so required, shall be such price as is determined by the Administrator;

(B) granted on any date on which the Common Stock is not a Listed Security to any other eligible person, the per Share exercise price shall be no less than eighty-five percent (85%) of the Fair Market Value per Share on the date of grant if required by the Applicable Laws and, if not so required, shall be such price as is determined by the Administrator; or

(C) granted on any date on which the Common Stock is a Listed Security to any eligible person, the per share Exercise Price shall be such price as determined by the Administrator provided that if such eligible person is, at the time of the grant of such Option, a Named Executive of the Company, the per share Exercise Price shall be no less than one hundred percent (100%) of the Fair Market Value on the date of grant if such Option is intended to qualify as performance-based compensation under Section 162(m) of the Code.

(iii) Notwithstanding the foregoing, Options may be granted with a per Share exercise price other than as required above pursuant to a merger or other Corporate Transaction.

(b) **Permissible Consideration.** The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option, shall be determined at the time of grant) and may consist entirely of (1) cash; (2) check; (3) subject to any requirements of the Applicable Laws (including without limitation Section 153 of the Delaware General Corporation Law), delivery of Optionee's promissory note having such recourse, interest, security and redemption provisions as the Administrator determines to be appropriate after taking into account the potential accounting consequences of permitting an Optionee to deliver a promissory note; (4) cancellation of indebtedness; (5) other Shares that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which the Option is exercised, provided that in the case of Shares acquired, directly or indirectly, from the Company, such Shares must have been owned by the Optionee for more than six (6) months on the date of surrender (or such other period as may be required to avoid the Company's incurring an adverse

accounting charge); (6) if, as of the date of exercise of an Option the Company then is permitting employees to engage in a “same-day sale” cashless brokered exercise program involving one or more brokers, through such a program that complies with the Applicable Laws (including without limitation the requirements of Regulation T and other applicable regulations promulgated by the Federal Reserve Board) and that ensures prompt delivery to the Company of the amount required to pay the exercise price and any applicable withholding taxes; or (7) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator shall consider if acceptance of such consideration may be reasonably expected to benefit the Company and the Administrator may, in its sole discretion, refuse to accept a particular form of consideration at the time of any Option exercise.

10. **Exercise of Option.**

(a) **General.**

(i) **Exercisability.** Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator, consistent with the term of the Plan and reflected in the Option Agreement, including vesting requirements and/or performance criteria with respect to the Company and/or the Optionee; provided however that, if required under the Applicable Laws, the Option (or Shares issued upon exercise of the Option) shall comply with the requirements of Section 260.140.41(f) and (k) of the Rules of the California Corporations Commissioner.

(ii) **Leave of Absence.** The Administrator shall have the discretion to determine whether and to what extent the vesting of Options shall be tolled during any unpaid leave of absence; provided, however, that in the absence of such determination, vesting of Options shall be tolled during any such unpaid leave (unless otherwise required by the Applicable Laws). In the event of military leave, vesting shall toll during any unpaid portion of such leave, provided that, upon a Participant’s returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Options to the same extent as would have applied had the Participant continued to provide services to the Company throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(iii) **Minimum Exercise Requirements.** An Option may not be exercised for a fraction of a Share. The Administrator may require that an Option be exercised as to a minimum number of Shares, provided that such requirement shall not prevent an Optionee from exercising the full number of Shares as to which the Option is then exercisable.

(iv) **Procedures for and Results of Exercise.** An Option shall be deemed exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Option by the person entitled to exercise the Option and the Company has received full payment for the Shares with respect to which the Option is exercised. Full payment may, as authorized by the Administrator, consist of any consideration and method of payment allowable under Section 9(b) of the Plan, provided that the Administrator may, in its sole discretion, refuse to accept any form of consideration at the time of any Option exercise.

Exercise of an Option in any manner shall result in a decrease in the number of Shares that thereafter may be available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(v) **Rights as Stockholder.** Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Optioned Stock, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 14 of the Plan.

(b) **Termination of Employment or Consulting Relationship.** Except as otherwise set forth in this Section 10(b), the Administrator shall establish and set forth in the applicable Option Agreement the terms and conditions upon which an Option shall remain exercisable, if at all, following termination of an Optionee's Continuous Service Status, which provisions may be waived or modified by the Administrator at any time. Unless the Administrator otherwise provides in the Option Agreement, to the extent that the Optionee is not vested in Optioned Stock at the date of termination of his or her Continuous Service Status, or if the Optionee (or other person entitled to exercise the Option) does not exercise the Option to the extent so entitled within the time specified in the Option Agreement or below (as applicable), the Option shall terminate and the Optioned Stock underlying the unexercised portion of the Option shall revert to the Plan. In no event may any Option be exercised after the expiration of the Option term as set forth in the Option Agreement (and subject to Section 7).

The following provisions (1) shall apply to the extent an Option Agreement does not specify the terms and conditions upon which an Option shall terminate upon termination of an Optionee's Continuous Service Status, and (2) establish the minimum post-termination exercise periods that may be set forth in an Option Agreement:

(i) **Termination other than Upon Disability or Death.** In the event of termination of Optionee's Continuous Service Status other than under the circumstances set forth in subsections (ii) and (iii) below, such Optionee may exercise an Option for thirty (30) days following such termination to the extent the Optionee was vested in the Optioned Stock as of the date of such termination. No termination shall be deemed to occur and this Section 10(b)(i) shall not apply if (i) the Optionee is a Consultant who becomes an Employee, or (ii) the Optionee is an Employee who becomes a Consultant.

(ii) **Disability of Optionee.** In the event of termination of an Optionee's Continuous Service Status as a result of his or her disability (including a disability within the meaning of Section 22(e)(3) of the Code), such Optionee may exercise an Option at any time within six (6) months following such termination to the extent the Optionee was vested in the Optioned Stock as of the date of such termination.

(iii) **Death of Optionee.** In the event of the death of an Optionee during the period of Continuous Service Status since the date of grant of the Option, or within thirty (30) days following termination of Optionee's Continuous Service Status, the Option may be exercised by Optionee's estate or by a person who acquired the right to exercise the Option by

bequest or inheritance at any time within twelve (12) months following the date of death, but only to the extent the Optionee was vested in the Optioned Stock as of the date of death or, if earlier, the date the Optionee's Continuous Service Status terminated.

(c) **Buyout Provisions.** The Administrator may at any time offer to buy out for a payment in cash or Shares an Option previously granted under the Plan based on such terms and conditions as the Administrator shall establish and communicate to the Optionee at the time that such offer is made.

#### 11. **Stock Purchase Rights.**

(a) **Rights to Purchase.** When the Administrator determines that it will offer Stock Purchase Rights under the Plan, it shall advise the offeree in writing of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid, and the time within which such person must accept such offer. In the case of a Stock Purchase Right granted prior to the date, if any, on which the Common Stock becomes a Listed Security and if required by the Applicable Laws at that time, the purchase price of Shares subject to such Stock Purchase Rights shall not be less than eighty-five percent (85%) of the Fair Market Value of the Shares as of the date of the offer, or, in the case of a Ten Percent Holder, the price shall not be less than one hundred percent (100%) of the Fair Market Value of the Shares as of the date of the offer. If the Applicable Laws do not impose the requirements set forth in the preceding sentence and with respect to any Stock Purchase Rights granted after the date, if any, on which the Common Stock becomes a Listed Security, the purchase price of Shares subject to Stock Purchase Rights shall be as determined by the Administrator. The offer to purchase Shares subject to Stock Purchase Rights shall be accepted by execution of a Restricted Stock Purchase Agreement in the form determined by the Administrator.

#### (b) **Repurchase Option.**

(i) **General.** Unless the Administrator determines otherwise, the Restricted Stock Purchase Agreement shall grant the Company a repurchase option exercisable upon the voluntary or involuntary termination of the purchaser's Continuous Service Status with the Company for any reason (including death or disability). Subject to any requirements of the Applicable Laws (including without limitation Section 260.140.42(h) of the Rules of the California Corporations Commissioner), the terms of the Company's repurchase option (including without limitation the price at which, and the consideration for which, it may be exercised, and the events upon which it shall lapse) shall be as determined by the Administrator in its sole discretion and reflected in the Restricted Stock Purchase Agreement.

(ii) **Leave of Absence.** The Administrator shall have the discretion to determine whether and to what extent the lapsing of Company repurchase rights shall be tolled during any unpaid leave of absence; provided, however, that in the absence of such determination, such lapsing shall be tolled during any such unpaid leave (unless otherwise required by the Applicable Laws). In the event of military leave, the lapsing of Company repurchase rights shall toll during any unpaid portion of such leave, provided that, upon a Participant's returning from military leave (under conditions that would entitle him or her to

protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given “vesting” credit with respect to Shares purchased pursuant to the Restricted Stock Purchase Agreement to the same extent as would have applied had the Participant continued to provide services to the Company throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(c) **Other Provisions.** The Restricted Stock Purchase Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion. In addition, the provisions of Restricted Stock Purchase Agreements need not be the same with respect to each purchaser.

(d) **Rights as a Stockholder.** Once the Stock Purchase Right is exercised, the purchaser shall have the rights equivalent to those of a stockholder, and shall be a stockholder when his or her purchase is entered upon the records of the duly authorized transfer agent of the Company. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Stock Purchase Right is exercised, except as provided in Section 14 of the Plan.

## 12. **Taxes.**

(a) As a condition of the grant, vesting or exercise of an Option or Stock Purchase Right granted under the Plan, the Participant (or in the case of the Participant’s death, the person exercising the Option or Stock Purchase Right) shall make such arrangements as the Administrator may require for the satisfaction of any applicable federal, state, local or foreign withholding tax obligations that may arise in connection with such grant, vesting or exercise of the Option or Stock Purchase Right or the issuance of Shares. The Company shall not be required to issue any Shares under the Plan until such obligations are satisfied. If the Administrator allows the withholding or surrender of Shares to satisfy a Participant’s tax withholding obligations under this Section 12 (whether pursuant to Section 12(c), (d) or (e), or otherwise), the Administrator shall not allow Shares to be withheld in an amount that exceeds the minimum statutory withholding rates for federal and state tax purposes, including payroll taxes.

(b) In the case of an Employee and in the absence of any other arrangement, the Employee shall be deemed to have directed the Company to withhold or collect from his or her compensation an amount sufficient to satisfy such tax obligations from the next payroll payment otherwise payable after the date of an exercise of the Option or Stock Purchase Right.

(c) This Section 12(c) shall apply only after the date, if any, upon which the Common Stock becomes a Listed Security. In the case of a Participant other than an Employee (or in the case of an Employee where the next payroll payment is not sufficient to satisfy such tax obligations, with respect to any remaining tax obligations), in the absence of any other arrangement and to the extent permitted under the Applicable Laws, the Participant shall be deemed to have elected to have the Company withhold from the Shares to be issued upon exercise of the Option or Stock Purchase Right that number of Shares having a Fair Market Value determined as of the applicable Tax Date (as defined below) equal to the amount required to be withheld. For purposes of this Section 12, the Fair Market Value of the Shares to be

withheld shall be determined on the date that the amount of tax to be withheld is to be determined under the Applicable Laws (the “Tax Date”).

(d) If permitted by the Administrator, in its discretion, a Participant may satisfy his or her tax withholding obligations upon exercise of an Option or Stock Purchase Right by surrendering to the Company Shares that have a Fair Market Value determined as of the applicable Tax Date equal to the amount required to be withheld. In the case of shares previously acquired from the Company that are surrendered under this Section 12(d), such Shares must have been owned by the Participant for more than six (6) months on the date of surrender (or such other period of time as is required for the Company to avoid adverse accounting charges).

(e) Any election or deemed election by a Participant to have Shares withheld to satisfy tax withholding obligations under Section 12(c) or (d) above shall be irrevocable as to the particular Shares as to which the election is made and shall be subject to the consent or disapproval of the Administrator. Any election by a Participant under Section 12(d) above must be made on or prior to the applicable Tax Date.

(f) In the event an election to have Shares withheld is made by a Participant and the Tax Date is deferred under Section 83 of the Code because no election is filed under Section 83(b) of the Code, the Participant shall receive the full number of Shares with respect to which the Option or Stock Purchase Right is exercised but such Participant shall be unconditionally obligated to tender back to the Company the proper number of Shares on the Tax Date.

### 13. **Non-Transferability of Options and Stock Purchase Rights.**

(a) **General.** Except as set forth in this Section 13, Options and Stock Purchase Rights may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution. The designation of a beneficiary by an Optionee will not constitute a transfer. An Option or Stock Purchase Right may be exercised, during the lifetime of the holder of an Option or Stock Purchase Right, only by such holder or a transferee permitted by this Section 13.

(b) **Limited Transferability Rights.** Notwithstanding anything else in this Section 13, the Administrator may in its discretion grant Nonstatutory Stock Options that may be transferred by instrument to an inter vivos or testamentary trust in which the Options are to be passed to beneficiaries upon the death of the trustor (settlor) or by gift or pursuant to domestic relations orders to “Immediate Family Members” (as defined below) of the Optionee. “Immediate Family Member” means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships), a trust in which these persons have more than fifty percent (50%) of the beneficial interest, a foundation in which these persons (or the Optionee) control the management of assets, and any other entity in which these persons (or the Optionee) own more than fifty percent (50%) of the voting interests.



#### 14. Adjustments Upon Changes in Capitalization, Merger or Certain Other Transactions.

(a) **Changes in Capitalization.** Subject to any action required under Applicable Laws by the stockholders of the Company, the number of Shares of Common Stock covered by each outstanding award and the number of Shares of Common Stock that have been authorized for issuance under the Plan but as to which no awards have yet been granted or that have been returned to the Plan upon cancellation or expiration of an award, as well as the price per Share of Common Stock covered by each such outstanding award, shall be proportionately adjusted for any increase or decrease in the number of issued Shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination, recapitalization or reclassification of the Common Stock, or any other increase or decrease in the number of issued Shares of Common Stock effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been “effected without receipt of consideration.” Such adjustment shall be made by the Administrator, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares of Common Stock subject to an award.

(b) **Dissolution or Liquidation.** In the event of the dissolution or liquidation of the Company, each Option and Stock Purchase Right will terminate immediately prior to the consummation of such action, unless otherwise determined by the Administrator.

(c) **Corporate Transaction.** In the event of a Corporate Transaction (including without limitation a Change of Control), each outstanding Option or Stock Purchase Right shall be assumed or an equivalent option or right shall be substituted by such successor corporation or a parent or subsidiary of such successor corporation (the “Successor Corporation”), unless the Successor Corporation does not agree to assume the award or to substitute an equivalent option or right, in which case such Option or Stock Purchase Right shall terminate upon the consummation of the transaction.

For purposes of this Section 14(c), an Option or a Stock Purchase Right shall be considered assumed, without limitation, if, at the time of issuance of the stock or other consideration upon a Corporate Transaction or a Change of Control, as the case may be, each holder of an Option or Stock Purchase Right would be entitled to receive upon exercise of the award the same number and kind of shares of stock or the same amount of property, cash or securities as such holder would have been entitled to receive upon the occurrence of the transaction if the holder had been, immediately prior to such transaction, the holder of the number of Shares of Common Stock covered by the award at such time (after giving effect to any adjustments in the number of Shares covered by the Option or Stock Purchase Right as provided for in this Section 14); provided that if such consideration received in the transaction is not solely common stock of the Successor Corporation, the Administrator may, with the consent of the Successor Corporation, provide for the consideration to be received upon exercise of the award to be solely common stock of the Successor Corporation equal to the Fair Market Value of the per Share consideration received by holders of Common Stock in the transaction.

(d) **Certain Distributions.** In the event of any distribution to the Company's stockholders of securities of any other entity or other assets (other than dividends payable in cash or stock of the Company) without receipt of consideration by the Company, the Administrator may, in its discretion, appropriately adjust the price per Share of Common Stock covered by each outstanding Option or Stock Purchase Right to reflect the effect of such distribution.

15. **Time of Granting Options and Stock Purchase Rights.** The date of grant of an Option or Stock Purchase Right shall, for all purposes, be the date on which the Administrator makes the determination granting such Option or Stock Purchase Right, or such other date as is determined by the Administrator, provided that in the case of any Incentive Stock Option, the grant date shall be the later of the date on which the Administrator makes the determination granting such Incentive Stock Option or the date of commencement of the Optionee's employment relationship with the Company. Notice of the determination shall be given to each Employee or Consultant to whom an Option or Stock Purchase Right is so granted within a reasonable time after the date of such grant.

16. **Amendment and Termination of the Plan.**

(a) **Authority to Amend or Terminate.** The Board may at any time amend, alter, suspend or discontinue the Plan, but no amendment, alteration, suspension or discontinuation (other than an adjustment pursuant to Section 14 above) shall be made that would materially and adversely affect the rights of any Optionee or holder of Stock Purchase Rights under any outstanding grant, without his or her consent. In addition, to the extent necessary and desirable to comply with the Applicable Laws, the Company shall obtain stockholder approval of any Plan amendment in such a manner and to such a degree as required.

(b) **Effect of Amendment or Termination.** Except as to amendments which the Administrator has the authority under the Plan to make unilaterally, no amendment or termination of the Plan shall materially and adversely affect Options or Stock Purchase Rights already granted, unless mutually agreed otherwise between the Optionee or holder of the Stock Purchase Rights and the Administrator, which agreement must be in writing and signed by the Optionee or holder and the Company.

17. **Conditions Upon Issuance of Shares.** Notwithstanding any other provision of the Plan or any agreement entered into by the Company pursuant to the Plan, the Company shall not be obligated, and shall have no liability for failure, to issue or deliver any Shares under the Plan unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. As a condition to the exercise of an Option or Stock Purchase Right, the Company may require the person exercising the award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by law. Shares issued upon exercise of awards granted prior to the date on which the Common Stock becomes a Listed Security shall be subject to a right of first refusal in favor of the Company pursuant to which the Participant will be required to offer Shares to the Company before selling or transferring them to any third party on such terms and subject to such conditions as is reflected in the applicable Option Agreement or Restricted Stock Purchase Agreement.

18. **Reservation of Shares.** The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

19. **Agreements.** Options and Stock Purchase Rights shall be evidenced by Option Agreements and Restricted Stock Purchase Agreements, respectively, in such form(s) as the Administrator shall from time to time approve.

20. **Stockholder Approval.** If required by the Applicable Laws, continuance of the Plan shall be subject to approval by the stockholders of the Company within twelve (12) months before or after the date the Plan is adopted. Such stockholder approval shall be obtained in the manner and to the degree required under the Applicable Laws.

21. **Information and Documents to Optionees and Purchasers.** Prior to the date, if any, upon which the Common Stock becomes a Listed Security and if required by the Applicable Laws, the Company shall provide financial statements at least annually to each Optionee and to each individual who acquired Shares pursuant to the Plan, during the period such Optionee or purchaser has one or more Options or Stock Purchase Rights outstanding, and in the case of an individual who acquired Shares pursuant to the Plan, during the period such individual owns such Shares. The Company shall not be required to provide such information if the issuance of Options or Stock Purchase Rights under the Plan is limited to key employees whose duties in connection with the Company assure their access to equivalent information.

**AMENDMENT TO  
SYNDAX PHARMACEUTICALS, INC.  
2007 STOCK PLAN**

WHEREAS, by written consent of the board of directors dated as of March 8, 2013 and by written consent of the stockholders dated as of March 8, 2013, the directors and stockholders of Syndax Pharmaceuticals, Inc. (the "Company") approved an amendment to the Syndax Pharmaceuticals, Inc. 2007 Stock Plan (the "Plan") to amend the number of shares of common stock that may be issued pursuant to awards granted under the Plan from 5,750,000 to 85,511,865;

The Plan is hereby amended in the following respects:

Effective as of March 8, 2013, Section 3 of the Plan is amended and restated in its entirety to read as follows:

"3. **Stock Subject to the Plan.** Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be sold under the Plan is 85,511,865. The Shares may be authorized, but unissued, or reacquired Common Stock. If an award should expire or become unexercisable for any reason without having been exercised in full, or is surrendered pursuant to an Option Exchange Program, the unpurchased Shares that were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan. In addition, any Shares of Common Stock which are retained by the Company upon exercise of an award in order to satisfy the exercise or purchase price for such award or any withholding taxes due with respect to such exercise or purchase shall be treated as not issued and shall continue to be available under the Plan. Shares issued under the Plan and later repurchased by the Company pursuant to any repurchase right which the Company may have shall be available for future grant under the Plan."

*[Signature page follows.]*

To record the adoption of this Amendment to the Plan, the Company has caused its undersigned officer to execute this document as of the date first written above.

**SYNDAX PHARMACEUTICALS, INC.**

By: /s/ Arlene Morris  
Name: Arlene Morris  
Title: Chief Executive Officer

[Signature page to Amendment to the Plan.]

**AMENDMENT TO  
SYNDAX PHARMACEUTICALS, INC.  
2007 STOCK PLAN**

WHEREAS, by resolutions of the board of directors adopted on July 9, 2013 and by written consent of the stockholders dated as of July 10, 2013, the directors and stockholders of Syndax Pharmaceuticals, Inc. (the "Company") approved an amendment to the Syndax Pharmaceuticals, Inc. 2007 Stock Plan (the "Plan") to amend the number of shares of common stock that may be issued pursuant to awards granted under the Plan from 85,511,865 to 100,121,865;

The Plan is hereby amended in the following respects:

Effective as of July 10, 2013, Section 3 of the Plan is amended and restated in its entirety to read as follows:

"3. **Stock Subject to the Plan.** Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be sold under the Plan is 100,121,865. The Shares may be authorized, but unissued, or reacquired Common Stock. If an award should expire or become unexercisable for any reason without having been exercised in full, or is surrendered pursuant to an Option Exchange Program, the unpurchased Shares that were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan. In addition, any Shares of Common Stock which are retained by the Company upon exercise of an award in order to satisfy the exercise or purchase price for such award or any withholding taxes due with respect to such exercise or purchase shall be treated as not issued and shall continue to be available under the Plan. Shares issued under the Plan and later repurchased by the Company pursuant to any repurchase right which the Company may have shall be available for future grant under the Plan."

*[Signature page follows.]*

To record the adoption of this Amendment to the Plan, the Company has caused its undersigned officer to execute this document as of the date first written above.

**SYNDAX PHARMACEUTICALS, INC.**

By: /s/ Arlene Morris  
Name: Arlene Morris  
Title: Chief Executive Officer

[Signature page to Amendment to the Plan.]

**AMENDMENT TO  
SYNDAX PHARMACEUTICALS, INC.  
2007 STOCK PLAN**

WHEREAS, by written consent of the board of directors (the “**Board**”) of Syndax Pharmaceuticals, Inc. (the “**Company**”) adopted on January 17, 2014 and by written consent of the stockholders of the Company dated as of January 23, 2014, the Board and stockholders of the Company approved an amendment to the Company’s 2007 Stock Plan (the “**Plan**”) to amend the number of shares of the Company’s common stock that may be issued pursuant to awards granted under the Plan from 10,012,178 (which number of shares reserved under the Plan reflects a 1-for-10 reverse stock split of Common Stock effected by the Company on November 18, 2013) to 12,327,178.

The Plan is hereby amended in the following respects:

Effective as of January 23, 2014, Section 3 of the Plan is amended and restated in its entirety to read as follows:

“3. **Stock Subject to the Plan.** Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be sold under the Plan is 12,327,178. The Shares may be authorized, but unissued, or reacquired Common Stock. If an award should expire or become unexercisable for any reason without having been exercised in full, or is surrendered pursuant to an Option Exchange Program, the unpurchased Shares that were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan. In addition, any Shares of Common Stock which are retained by the Company upon exercise of an award in order to satisfy the exercise or purchase price for such award or any withholding taxes due with respect to such exercise or purchase shall be treated as not issued and shall continue to be available under the Plan. Shares issued under the Plan and later repurchased by the Company pursuant to any repurchase right which the Company may have shall be available for future grant under the Plan.”

*[Signature Page Follows]*



To record the adoption of this Amendment to the Plan, the Company has caused its undersigned officer to execute this document as of the date first written above.

**SYNDAX PHARMACEUTICALS, INC.**

By: /s/ Arlene M. Morris

Name: Arlene M. Morris

Title: President and Chief Executive Officer

**AMENDMENT TO  
SYNDAX PHARMACEUTICALS, INC.  
2007 STOCK PLAN**

WHEREAS, by resolutions of the board of directors (the “**Board**”) of Syndax Pharmaceuticals, Inc. (the “**Company**”) adopted on December 16, 2014 and by written consent of the stockholders of the Company dated as of December 17, 2014, the Board and stockholders of the Company approved an amendment to the Company’s 2007 Stock Plan (the “**Plan**”) to amend the number of shares of the Company’s common stock that may be issued pursuant to awards granted under the Plan from 1,002,172 (which number of shares reserved under the Plan reflects a 1-for-10 reverse stock split of Common Stock effected by the Company on November 18, 2013 and a 1-for-12.3 reverse stock split of Common Stock effected by the Company on June 3, 2014) to 1,525,000.

The Plan is hereby amended in the following respects:

Effective as of December 17, 2014, Section 3 of the Plan is amended and restated in its entirety to read as follows:

“3. **Stock Subject to the Plan.** Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be sold under the Plan is 1,525,000. The Shares may be authorized, but unissued, or reacquired Common Stock. If an award should expire or become unexercisable for any reason without having been exercised in full, or is surrendered pursuant to an Option Exchange Program, the unpurchased Shares that were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan. In addition, any Shares of Common Stock which are retained by the Company upon exercise of an award in order to satisfy the exercise or purchase price for such award or any withholding taxes due with respect to such exercise or purchase shall be treated as not issued and shall continue to be available under the Plan. Shares issued under the Plan and later repurchased by the Company pursuant to any repurchase right which the Company may have shall be available for future grant under the Plan.”

*[Signature Page Follows]*

To record the adoption of this Amendment to the Plan, the Company has caused its undersigned officer to execute this document as of the date first written above.

**SYNDAX PHARMACEUTICALS, INC.**

By: /s/ Arlene M. Morris  
Name: Arlene M. Morris  
Title: President and Chief Executive Officer

**[SIGNATURE PAGE TO 2007 STOCK PLAN AMENDMENT]**

**AMENDMENT TO  
SYNDAX PHARMACEUTICALS, INC.  
2007 STOCK PLAN**

WHEREAS, by written consent of the board of directors (the “**Board**”) of Syndax Pharmaceuticals, Inc. (the “**Company**”) adopted on May 26, 2015 and by written consent of the stockholders of the Company dated as of May 28, 2015, the Board and stockholders of the Company approved an amendment to the Company’s 2007 Stock Plan (the “**Plan**”) to amend the number of shares of the Company’s common stock that may be issued pursuant to awards granted under the Plan from 1,525,000 (which number of shares reserved under the Plan reflects a 1-for-12.3 reverse stock split of Common Stock effected by the Company on June 3, 2014) to 2,789,000.

The Plan is hereby amended in the following respects:

Effective as of May 28, 2015, Section 3 of the Plan is amended and restated in its entirety to read as follows:

“3. **Stock Subject to the Plan.** Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be sold under the Plan is 2,789,000. The Shares may be authorized, but unissued, or reacquired Common Stock. If an award should expire or become unexercisable for any reason without having been exercised in full, or is surrendered pursuant to an Option Exchange Program, the unpurchased Shares that were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan. In addition, any Shares of Common Stock which are retained by the Company upon exercise of an award in order to satisfy the exercise or purchase price for such award or any withholding taxes due with respect to such exercise or purchase shall be treated as not issued and shall continue to be available under the Plan. Shares issued under the Plan and later repurchased by the Company pursuant to any repurchase right which the Company may have shall be available for future grant under the Plan.”

*[Signature Page Follows]*

To record the adoption of this Amendment to the Plan, the Company has caused its undersigned officer to execute this document as of the date first written above.

**SYNDAX PHARMACEUTICALS, INC.**

By: /s/ Michael Metzger  
Name: Michael Metzger  
Title: President and Chief Operating Officer

**AMENDMENT TO  
SYNDAX PHARMACEUTICALS, INC.  
2007 STOCK PLAN**

WHEREAS, by written consent of the board of directors (the “**Board**”) of Syndax Pharmaceuticals, Inc. (the “**Company**”) adopted on August 18, 2015 and by written consent of the stockholders of the Company dated as of August 20, 2015, the Board and stockholders of the Company approved an amendment to the Company’s 2007 Stock Plan (the “**Plan**”) to amend the number of shares of the Company’s common stock that may be issued pursuant to awards granted under the Plan from 2,789,000 (which number of shares reserved under the Plan reflects a 1-for-12.3 reverse stock split of Common Stock effected by the Company on June 3, 2014) to 3,754,270.

The Plan is hereby amended in the following respects:

Effective as of August 20, 2015, Section 3 of the Plan is amended and restated in its entirety to read as follows:

“3. **Stock Subject to the Plan.** Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be sold under the Plan is 3,754,270. The Shares may be authorized, but unissued, or reacquired Common Stock. If an award should expire or become unexercisable for any reason without having been exercised in full, or is surrendered pursuant to an Option Exchange Program, the unpurchased Shares that were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan. In addition, any Shares of Common Stock which are retained by the Company upon exercise of an award in order to satisfy the exercise or purchase price for such award or any withholding taxes due with respect to such exercise or purchase shall be treated as not issued and shall continue to be available under the Plan. Shares issued under the Plan and later repurchased by the Company pursuant to any repurchase right which the Company may have shall be available for future grant under the Plan.”

*[Signature Page Follows]*

To record the adoption of this Amendment to the Plan, the Company has caused its undersigned officer to execute this document as of the date first written above.

**SYNDAX PHARMACEUTICALS, INC.**

By: /s/ Briggs Morrison

Name: Briggs Morrison, M.D.

Title: Chief Executive Officer

## SYNDAX PHARMACEUTICALS, INC.

## 2007 STOCK PLAN

NOTICE OF STOCK OPTION GRANT

«Name»:

You have been granted an option to purchase Common Stock of Syndax Pharmaceuticals, Inc. (the "Company") as follows:

Date of Grant:

Exercise Price per Share:

Total Number of Shares Granted:

Total Exercise Price<sup>1</sup>:

Type of Option: Incentive Stock Option

Expiration Date:

Vesting Commencement Date:

Vesting/Exercise Schedule: This Option may be exercised, in whole or in part, at any time or from time to time after the Date of Grant. So long as your Continuous Service Status with the Company continues, the Shares underlying this Option shall vest in accordance with the following schedule: twenty-five percent (25%) of the total number of Shares subject to the Option shall vest on the Grant Date and 1/36<sup>th</sup> of the total remaining number of Shares subject to the Option shall vest on the same day of each month thereafter.

<sup>1</sup> Under Section 422(d) of the Internal Revenue Code, the total aggregate fair market value of ISOs that become exercisable for an individual employee for the first time within a calendar year may not exceed \$100,000. Any shares that become exercisable within a calendar year that cause the value of the aggregate number of shares vesting to exceed \$100,000 will no longer qualify for preferential tax treatment as ISO shares. Any excess over \$100,000 is a Non-Statutory Stock Option.



Termination Period:

This Option may be exercised for ninety (90) days after termination of Optionee's Continuous Service Status except as set out in Section 5 of the Stock Option Agreement (but in no event later than the Expiration Date). Optionee is responsible for keeping track of these exercise periods following termination for any reason of his or her service relationship with the Company. The Company will not provide further notice of such periods.

Transferability:

This Option may not be transferred.

By your signature and the signature of the Company's representative below, you and the Company agree that this option is granted under and governed by the terms and conditions of the Syndax Pharmaceuticals, Inc. 2007 Stock Plan and the Stock Option Agreement, both of which are attached and made a part of this document.

In addition, you agree and acknowledge that your rights to any Shares underlying the Option will be earned only as you provide services to the Company over time, that the grant of the Option is not as consideration for services you rendered to the Company prior to your Vesting Commencement Date, and that nothing in this Notice or the attached documents confers upon you any right to continue your employment or consulting relationship with the Company for any period of time, nor does it interfere in any way with your right or the Company's right to terminate that relationship at any time, for any reason, with or without cause.

Dated:

SYNDAX PHARMACEUTICALS, INC.

\_\_\_\_\_  
«Name»

By:

\_\_\_\_\_  
«Name»

«Title»

2007 STOCK PLAN

**STOCK OPTION AGREEMENT**

1. **Grant of Option.** Syndax Pharmaceuticals, Inc., a Delaware corporation (the "Company"), hereby grants to «Name» ("Optionee"), an option (the "Option") to purchase the total number of shares of Common Stock (the "Shares") set forth in the Notice of Stock Option Grant (the "Notice"), at the exercise price per Share set forth in the Notice (the "Exercise Price") subject to the terms, definitions and provisions of the Syndax Pharmaceuticals, Inc. 2007 Stock Plan (the "Plan") adopted by the Company, which is incorporated in this Agreement by reference. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings defined in the Plan.

2. **Designation of Option.** This Option is intended to be an Incentive Stock Option as defined in Section 422 of the Code only to the extent so designated in the Notice, and to the extent it is not so designated or to the extent the Option does not qualify as an Incentive Stock Option, it is intended to be a Nonstatutory Stock Option.

Notwithstanding the above, if designated as an Incentive Stock Option, in the event that the Shares subject to this Option (and all other Incentive Stock Options granted to Optionee by the Company or any Parent or Subsidiary, including under other plans of the Company) that first become exercisable in any calendar year have an aggregate fair market value (determined for each Share as of the date of grant of the option covering such Share) in excess of \$100,000, the Shares in excess of \$100,000 shall be treated as subject to a Nonstatutory Stock Option, in accordance with Section 5(c) of the Plan.

3. **Exercise of Option.** This Option shall be exercisable during its term in accordance with the Vesting/Exercise Schedule set out in the Notice and with the provisions of Section 10 of the Plan as follows:

(a) **Right to Exercise.**

(i) This Option may not be exercised for a fraction of a share.

(ii) In the event of Optionee's death, disability or other termination of employment, the exercisability of the Option is governed by Section 5 below, subject to the limitations contained in this Section 3.

(iii) In no event may this Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(b) **Method of Exercise.**

(i) This Option shall be exercisable in whole or in part by execution and delivery of the Early Exercise Notice and Restricted Stock Purchase Agreement attached hereto as Exhibit A, the Exercise Notice and Restricted Stock Purchase Agreement attached hereto as Exhibit B, or any other form of written notice approved for such purpose by the Company which shall state Optionee's election to exercise the Option, the number of Shares in respect of which the Option is being exercised, and such other representations and agreements as to the holder's investment intent with respect to such Shares as may be required by the Company pursuant to the provisions of the Plan. Such written notice shall be signed by Optionee and shall be delivered to the Company by such means as are determined by the Plan Administrator in its discretion to constitute adequate delivery. The written notice shall be accompanied by payment of the Exercise Price. This Option shall be deemed to be exercised upon receipt by the Company of such written notice accompanied by the Exercise Price.

(ii) As a condition to the exercise of this Option and to the issuance of the Shares as further set forth in Section 12 of the Plan, Optionee agrees to make adequate provision for federal, state or other tax withholding obligations, if any, which arise upon the vesting or exercise of the Option, or disposition of Shares, whether by withholding, direct payment to the Company, or otherwise.

(iii) The Company is not obligated, and will have no liability for failure, to issue or deliver any Shares upon exercise of the Option unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any applicable federal or state securities or other law or regulation, including any rule under Part 221 of Title 12 of the Code of Federal Regulations as promulgated by the Federal Reserve Board. As a condition to the exercise of this Option, the Company may require Optionee to make any representation and warranty to the Company as may be required by the Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Optionee on the date on which the Option is exercised with respect to such Shares.

4. **Method of Payment.** Payment of the Exercise Price shall be by any of the following, or a combination of the following, at the election of Optionee:

(a) cash or check;

(b) cancellation of indebtedness;

(c) prior to the date, if any, upon which the Common Stock becomes a Listed Security, by surrender of other shares of Common Stock of the Company that have an aggregate Fair Market Value on the date of surrender equal to the Exercise Price of the Shares as to which the Option is being exercised. In the case of shares acquired directly or indirectly from the Company, such shares must have been owned by Optionee for more than six (6) months on the

date of surrender (or such other period of time as is necessary to avoid the Company's incurring adverse accounting charges); or

(d) following the date, if any, upon which the Common Stock is a Listed Security, and if the Company is at such time permitting "same day sale" cashless brokered exercises, delivery of a properly executed exercise notice together with irrevocable instructions to a broker participating in such cashless brokered exercise program to deliver promptly to the Company the amount required to pay the exercise price (and applicable withholding taxes).

5. **Termination of Relationship.** Following the date of termination of Optionee's Continuous Service Status for any reason (the "Termination Date"), Optionee may exercise the Option only as set forth in the Notice and this Section 5. To the extent that Optionee is not entitled to exercise this Option as of the Termination Date, or if Optionee does not exercise this Option within the Termination Period set forth in the Notice or the termination periods set forth below, the Option shall terminate in its entirety. In no event may any Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(a) **Termination.** In the event of termination of Optionee's Continuous Service Status other than as a result of Optionee's disability or death, Optionee may, to the extent Optionee is vested in the Option Shares at the date of such termination (the "Termination Date"), exercise this Option during the Termination Period set forth in the Notice.

(b) **Other Terminations.** In connection with any termination other than a termination covered by Section 5(a), Optionee may exercise the Option only as described below:

(i) **Termination upon Disability of Optionee.** In the event of termination of Optionee's Continuous Service Status as a result of Optionee's disability, Optionee may, but only within six (6) months from the Termination Date, exercise this Option to the extent Optionee was vested in the Option Shares as of such Termination Date.

(ii) **Death of Optionee.** In the event of the death of Optionee (a) during the term of this Option and while an Employee or Consultant of the Company and having been in Continuous Service Status since the date of grant of the Option, or (b) within thirty (30) days after Optionee's Termination Date, the Option may be exercised at any time within six (6) months following the date of death by Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent Optionee was vested in the Option as of the Termination Date.

6. **Non-Transferability of Option.** Except as otherwise set forth in the Notice, this Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by him or her. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of Optionee.

7. **Tax Consequences.** Below is a brief summary as of the date of this Option of certain of the federal tax consequences of exercise of this Option and disposition of the Shares under the laws in effect as of the Date of Grant. THIS SUMMARY IS INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. OPTIONEE

(a) **Incentive Stock Option.**

(i) **Tax Treatment upon Exercise and Sale of Shares.** If this Option qualifies as an Incentive Stock Option, there will be no regular federal income tax liability upon the exercise of the Option, although the excess, if any, of the fair market value of the Shares on the date of exercise over the Exercise Price will be treated as an adjustment to the alternative minimum tax for federal tax purposes and may subject Optionee to the alternative minimum tax in the year of exercise. If Shares issued upon exercise of an Incentive Stock Option are held for at least one (1) year after exercise and are disposed of at least two (2) years after the Option grant date, any gain realized on disposition of the Shares will also be treated as long-term capital gain for federal income tax purposes. If Shares issued upon exercise of an Incentive Stock Option are disposed of within such one (1)-year period or within two (2) years after the Option grant date, any gain realized on such disposition will be treated as compensation income (taxable at ordinary income rates) to the extent of the difference between the Exercise Price and the lesser of (i) the Fair Market Value of the Shares on the date of exercise, or (ii) the sale price of the Shares.

(ii) **Notice of Disqualifying Dispositions.** With respect to any Shares issued upon exercise of an Incentive Stock Option, if Optionee sells or otherwise disposes of such Shares on or before the later of (i) the date two (2) years after the Option grant date, or (ii) the date one (1) year after the date of exercise, Optionee shall immediately notify the Company in writing of such disposition. Optionee acknowledges and agrees that he or she may be subject to income tax withholding by the Company on the compensation income recognized by Optionee from the early disposition by payment in cash or out of the current earnings paid to Optionee.

(b) **Nonstatutory Stock Option.** If this Option does not qualify as an Incentive Stock Option, there may be a regular federal (and state) income tax liability upon the exercise of the Option. Optionee will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price. If Optionee is an Employee, the Company will be required to withhold from Optionee's compensation or collect from Optionee and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of exercise. If Shares issued upon exercise of a Nonstatutory Stock Option are held for at least one (1) year, any gain realized on disposition of the Shares will be treated as long-term capital gain for federal income tax purposes.

8. **Lock-Up Agreement.** In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Optionee hereby agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute

an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering.

9. **Effect of Agreement.** Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the Option terms), and hereby accepts this Option and agrees to be bound by its contractual terms as set forth herein and in the Plan. Optionee hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Plan Administrator regarding any questions relating to the Option. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of the Notice and this Agreement, the Plan terms and provisions shall prevail. The Option, including the Plan, constitutes the entire agreement between Optionee and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter.

*[Signature Page Follows]*

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one document.

Dated:

SYNDAX PHARMACEUTICALS, INC.

\_\_\_\_\_  
«Name»

By: \_\_\_\_\_  
«Name»  
«Title»

Address for Notice:

«Address\_1»  
«City», «State» «Zip»

EXHIBIT A

SYNDAX PHARMACEUTICALS, INC.

2007 STOCK PLAN

**EARLY EXERCISE NOTICE AND RESTRICTED STOCK PURCHASE AGREEMENT**

This Agreement ("Agreement") is made as of \_\_\_\_\_, by and between Syndax Pharmaceuticals, Inc., a Delaware corporation (the "Company"), and «Name» ("Purchaser"). To the extent any capitalized terms used in this Agreement are not defined, they shall have the meaning ascribed to them in the Company's 2007 Stock Plan (the "Plan").

1. **Exercise of Option.** Subject to the terms and conditions hereof, Purchaser hereby elects to exercise his or her option to purchase \_\_\_\_\_ shares of the Common Stock (the "Shares") of the Company under and pursuant to the Plan and the Stock Option Agreement granted (the "Option Agreement"). Of these Shares, Purchaser has elected to purchase \_\_\_\_\_ of those Shares which have become vested as of the date hereof under the Vesting/Exercise Schedule set forth in the Notice of Stock Option Grant (the "Vested Shares") and \_\_\_\_\_ Shares which have not yet vested under such Vesting/Exercise Schedule (the "Unvested Shares"). The purchase price for the Shares shall be \$ \_\_\_\_\_ per Share for a total purchase price of \$ \_\_\_\_\_. The term "Shares" refers to the purchased Shares and all securities received in replacement of the Shares or as stock dividends or splits, all securities received in replacement of the Shares in a recapitalization, merger, reorganization, exchange or the like, and all new, substituted or additional securities or other properties to which Purchaser is entitled by reason of Purchaser's ownership of the Shares.

2. **Time and Place of Exercise.** The purchase and sale of the Shares under this Agreement shall occur at the principal office of the Company simultaneously with the execution and delivery of this Agreement in accordance with the provisions of Section 3(b) of the Option Agreement. On such date, provided that all of the conditions set forth in Section 12 of the Plan have been fulfilled, the Company will deliver to Purchaser a certificate representing the Shares to be purchased by Purchaser (which shall be issued in Purchaser's name) against payment of the exercise price therefor by Purchaser by any method listed in Section 4 of the Option Agreement, and the satisfaction of Purchaser's tax withholding obligations pursuant to Section 3(b)(ii) of the Option Agreement.

3. **Limitations on Transfer.** In addition to any other limitation on transfer created by applicable securities laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares while the Shares are subject to the Company's Repurchase Option (as defined below). After any Shares have been released from such Repurchase Option, Purchaser shall not assign, encumber or dispose of any interest in such Shares except in compliance with the provisions below and applicable securities laws.

(a) **Repurchase Option.**

(i) In the event of the voluntary or involuntary termination of Purchaser's Continuous Service Status with the Company for any reason (including death or



disability), with or without cause, the Company shall upon the date of such termination (the "Termination Date") have an irrevocable, exclusive option (the "Repurchase Option") for a period of ninety (90) days from such date to repurchase all or any portion of the Shares held by Purchaser as of the Termination Date which have not yet been released from the Company's Repurchase Option at the original purchase price per Share specified in Section 1 (adjusted for any stock splits, stock dividends and the like).

(ii) Unless the Company notifies Purchaser within ninety (90) days from the date of termination of Purchaser's Continuous Service Status that it does not intend to exercise its Repurchase Option with respect to some or all of the Shares, the Repurchase Option shall be deemed automatically exercised by the Company as of the ninetieth (90<sup>th</sup>) day following such termination, provided that the Company may notify Purchaser that it is exercising its Repurchase Option as of a date prior to such ninetieth (90<sup>th</sup>) day. Unless Purchaser is otherwise notified by the Company pursuant to the preceding sentence that the Company does not intend to exercise its Repurchase Option as to some or all of the Shares to which it applies at the time of termination, execution of this Agreement by Purchaser constitutes written notice to Purchaser of the Company's intention to exercise its Repurchase Option with respect to all Shares to which such Repurchase Option applies. The Company, at its choice, may satisfy its payment obligation to Purchaser with respect to exercise of the Repurchase Option by either (A) delivering a check to Purchaser in the amount of the purchase price for the Shares being repurchased, or (B) in the event Purchaser is indebted to the Company, canceling an amount of such indebtedness equal to the purchase price for the Shares being repurchased, or (C) by a combination of (A) and (B) so that the combined payment and cancellation of indebtedness equals such purchase price. In the event of any deemed automatic exercise of the Repurchase Option pursuant to this Section 3(a)(ii) in which Purchaser is indebted to the Company, such indebtedness equal to the purchase price of the Shares being repurchased shall be deemed automatically canceled as of the ninetieth (90<sup>th</sup>) day following termination of Purchaser's Continuous Service Status unless the Company otherwise satisfies its payment obligations. As a result of any repurchase of Shares pursuant to this Section 3(a), the Company shall become the legal and beneficial owner of the Shares being repurchased and shall have all rights and interest therein or related thereto, and the Company shall have the right to transfer to its own name the number of Shares being repurchased by the Company, without further action by Purchaser.

(iii) One hundred percent (100%) of the Shares shall initially be subject to the Repurchase Option. The Unvested Shares shall be released from the Repurchase Option in accordance with the Vesting/Exercise Schedule set forth in the Notice of Stock Option Grant until all Shares are released from the Repurchase Option. Fractional shares shall be rounded to the nearest whole share.

(iv) In the event of a Company Sale (as such term is defined below), the Repurchase Option shall expire with respect to fifty percent (50%) of the shares of Common Stock then subject to the Repurchase Option. Thereafter, the Repurchase Option shall expire with respect to any shares of Common Stock remaining subject to the Repurchase Option in equal monthly installments over the number of months remaining of the forty-eight (48) month period provided for in the Vesting/Exercise Schedule set forth in the Notice of Stock Option Grant. In addition, if within the period beginning on the first (1st) day of the calendar month immediately preceding the calendar month in which the effective date of such Company Sale

occurs and ending on the last day of the thirteenth (13th) calendar month following the calendar month in which the effective date of Company Sale occurs, the Purchaser's employment with the Company terminates due to an involuntary termination thereof by the Company (or any successor) without cause (not including death or disability) or due to a Constructive Termination (as such term is defined below), then the Repurchase Option shall expire in full with respect to all shares of Common Stock subject thereto as of the date of such termination of the Purchaser's employment.

For purposes of this Section 3(a)(iv) only:

(A) A "Company Sale" shall mean (i) the acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger, stock purchase or consolidation) or (ii) a sale of all or substantially all of the assets of the Company; unless the Company's stockholders of record as constituted immediately prior to any such transaction will, immediately after such transaction (by virtue of securities issued as consideration for the Company's capital stock, assets or otherwise) hold more than fifty percent (50%) of the voting power of the surviving or acquiring entity.

(B) "Constructive Termination" means Purchaser's voluntary resignation following (i) a material reduction in the level of responsibility associated with the Purchaser's employment with the Company or any surviving entity (other than a change in job title or officer title), (ii) any reduction in the Purchaser's level of base salary, or (iii) a relocation of the Purchaser's principal place of employment by more than fifty (50) miles (other than reasonable business travel required as part of the job duties associated with the Purchaser's position), provided, and only in the event that, such change, reduction or relocation is effected by the Company without cause and without the Purchaser's consent.

(b) **Right of First Refusal.** Before any Shares held by Purchaser or any transferee of Purchaser (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 3(b) (the "Right of First Refusal").

(i) **Notice of Proposed Transfer.** The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the terms and conditions of each proposed sale or transfer. The Holder shall offer the Shares at the same price (the "Offered Price") and upon the same terms (or terms as similar as reasonably possible) to the Company or its assignee(s).

(ii) **Exercise of Right of First Refusal.** At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (iii) below.

(iii) **Purchase Price.** The purchase price (“Purchase Price”) for the Shares purchased by the Company or its assignee(s) under this Section 3(b) shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(iv) **Payment.** Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness, or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(v) **Holder’s Right to Transfer.** If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 3(b), then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within sixty (60) days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 3 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(vi) **Exception for Certain Family Transfers.** Anything to the contrary contained in this Section 3(b) notwithstanding, the transfer of any or all of the Shares during Purchaser’s lifetime or on Purchaser’s death by will or intestacy to Purchaser’s Immediate Family or a trust for the benefit of Purchaser’s Immediate Family shall be exempt from the provisions of this Section 3(b). “Immediate Family” as used herein shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships). In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(c) **Involuntary Transfer.**

(i) **Company’s Right to Purchase upon Involuntary Transfer.** In the event, at any time after the date of this Agreement, of any transfer by operation of law or other involuntary transfer (including death or divorce, but excluding a transfer to Immediate Family as set forth in Section 3(b)(vi) above) of all or a portion of the Shares by the record holder thereof, the Company shall have an option to purchase all of the Shares transferred. Upon such a transfer, the person acquiring the Shares shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of thirty (30) days following receipt by the Company of written notice by the person acquiring the Shares.

(ii) **Price for Involuntary Transfer.** With respect to any stock to be transferred pursuant to Section 3(c)(i), the price per Share shall be a price set by the Board of Directors of the Company that will reflect the current value of the stock in terms of present earnings and future prospects of the Company. The Company shall notify Purchaser or his or her executor of the price so determined within thirty (30) days after receipt by it of written notice of the transfer or proposed transfer of Shares. However, if the Purchaser or his or her executor does not agree with the valuation as determined by the Board of Directors of the Company, the Purchaser or the executor shall be entitled to have the valuation determined by an independent appraiser to be mutually agreed upon by the Company and the Purchaser or the executor and whose fees shall be borne equally by the Company and the Purchaser or the Purchaser's estate.

(d) **Assignment.** The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any stockholder or stockholders of the Company or other persons or organizations.

(e) **Restrictions Binding on Transferees.** All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement, including, insofar as applicable, the Repurchase Option. In the event of any purchase by the Company hereunder where the Shares or interest are held by a transferee, the transferee shall be obligated, if requested by the Company, to transfer the Shares or interest to the Purchaser for consideration equal to the amount to be paid by the Company hereunder. In the event the Repurchase Option is deemed exercised by the Company pursuant to Section 3(a)(ii) hereof, the Company may deem any transferee to have transferred the Shares or interest to Purchaser prior to their purchase by the Company, and payment of the purchase price by the Company to such transferee shall be deemed to satisfy Purchaser's obligation to pay such transferee for such Shares or interest, and also to satisfy the Company's obligation to pay Purchaser for such Shares or interest. Any sale or transfer of the Shares shall be void unless the provisions of this Agreement are satisfied.

(f) **Termination of Rights.** The right of first refusal granted the Company by Section 3(b) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(c) above shall terminate upon the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"). Upon termination of the right of first refusal described in Section 3(b) above, a new certificate or certificates representing the Shares not repurchased shall be issued, on request, without the legend referred to in Section 6(a)(ii) herein and delivered to Purchaser.

4. **Escrow of Unvested Shares.** For purposes of facilitating the enforcement of the provisions of Section 3 above, Purchaser agrees, immediately upon receipt of the certificate(s) for the Shares subject to the Repurchase Option, to deliver such certificate(s), together with an Assignment Separate from Certificate in the form attached to this Agreement as Attachment A executed by Purchaser and by Purchaser's spouse (if required for transfer), in blank, to the Secretary of the Company, or the Secretary's designee, to hold such certificate(s) and Assignment Separate from Certificate in escrow and to take all such actions and to effectuate all such transfers and/or releases as are in accordance with the terms of this Agreement. Purchaser

hereby acknowledges that the Secretary of the Company, or the Secretary's designee, is so appointed as the escrow holder with the foregoing authorities as a material inducement to make this Agreement and that said appointment is coupled with an interest and is accordingly irrevocable. Purchaser agrees that said escrow holder shall not be liable to any party hereof (or to any other party). The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Purchaser agrees that if the Secretary of the Company, or the Secretary's designee, resigns as escrow holder for any or no reason, the Board of Directors of the Company shall have the power to appoint a successor to serve as escrow holder pursuant to the terms of this Agreement.

5. **Investment and Taxation Representations.** In connection with the purchase of the Shares, Purchaser represents to the Company the following:

(a) Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Purchaser is purchasing these securities for investment for his or her own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act or under any applicable provision of state law. Purchaser does not have any present intention to transfer the Shares to any person or entity.

(b) Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein.

(c) Purchaser further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities. Purchaser understands that the certificate(s) evidencing the securities will be imprinted with a legend which prohibits the transfer of the securities unless they are registered or such registration is not required in the opinion of counsel for the Company.

(d) Purchaser is familiar with the provisions of Rules 144 and 701, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Purchaser understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144 or Rule 701, which rules require, among other things, that the Company be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this paragraph (d), Purchaser acknowledges and agrees to the restrictions set forth in paragraph (e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 or 701 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

(f) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

#### 6. **Restrictive Legends and Stop-Transfer Orders.**

(a) **Legends.** The certificate or certificates representing the Shares shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):

- (i) THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.
- (ii) THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

(b) **Stop-Transfer Notices.** Purchaser agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) **Refusal to Transfer.** The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

7. **No Employment Rights.** Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent or Subsidiary of the Company, to terminate Purchaser's employment or consulting relationship, for any reason, with or without cause.

8. **Section 83(b) Election.** Purchaser understands that Section 83(a) of the Internal Revenue Code of 1986, as amended (the "Code"), taxes as ordinary income for a Nonstatutory Stock Option and as alternative minimum taxable income for an Incentive Stock Option the difference between the amount paid for the Shares and the Fair Market Value of the Shares as of the date any restrictions on the Shares lapse. In this context, "restriction" means the right of the Company to buy back the Shares pursuant to the Repurchase Option set forth in Section 3(a) of this Agreement. Purchaser understands that Purchaser may elect to be taxed at the time the Shares are purchased, rather than when and as the Repurchase Option expires, by filing an election under Section 83(b) (an "83(b) Election") of the Code with the Internal Revenue Service within thirty (30) days from the date of purchase. Even if the Fair Market Value of the Shares at the time of the execution of this Agreement equals the amount paid for the Shares, the election must be made to avoid income and alternative minimum tax treatment under Section 83(a) in the future. Purchaser understands that failure to file such an election in a timely manner may result in adverse tax consequences for Purchaser. Purchaser further understands that an additional copy of such election form should be filed with his or her federal income tax return for the calendar year in which the date of this Agreement falls. Purchaser acknowledges that the foregoing is only a summary of the effect of United States federal income taxation with respect to purchase of the Shares hereunder, and does not purport to be complete. Purchaser further acknowledges that the Company has directed Purchaser to seek independent advice regarding the applicable provisions of the Code, the income tax laws of any municipality, state or foreign country in which Purchaser may reside, and the tax consequences of Purchaser's death.

Purchaser agrees that he or she will execute and deliver to the Company with this executed Agreement a copy of the Acknowledgment and Statement of Decision Regarding Section 83(b) Election (the "Acknowledgment") attached hereto as Attachment B. Purchaser further agrees that he or she will execute and submit with the Acknowledgment a copy of the 83(b) Election attached hereto as Attachment C (for tax purposes in connection with the early exercise of an option) if Purchaser has indicated in the Acknowledgment his or her decision to make such an election.

9. **Lock-Up Agreement.** In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Purchaser agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such

period of time (not to exceed one hundred eighty (180) days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering.

10. **Miscellaneous.**

(a) **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.

(b) **Entire Agreement; Enforcement of Rights.** This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

(c) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(d) **Construction.** This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(e) **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by telegram or fax or forty-eight (48) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

(f) **Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(g) **Successors and Assigns.** The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by the Company's successors and assigns. The rights and obligations of Purchaser under this Agreement may only be assigned with the prior written consent of the Company.

(h) **California Corporate Securities Law.** THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN



QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

*[Signature Page Follows]*

The parties have executed this Early Exercise Notice and Restricted Stock Purchase Agreement as of the date first set forth above.

**COMPANY:**

SYNDAX PHARMACEUTICALS, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PURCHASER:**

«Name»

\_\_\_\_\_  
(Signature)

Address: \_\_\_\_\_

\_\_\_\_\_

I, \_\_\_\_\_, spouse of «Name», have read and hereby approve the foregoing Agreement. In consideration of the Company's granting my spouse the right to purchase the Shares as set forth in the Agreement, I hereby agree to be bound irrevocably by the Agreement and further agree that any community property or other such interest that I may have in the Shares shall hereby be similarly bound by the Agreement. I hereby appoint my spouse as my attorney-in-fact with respect to any amendment or exercise of any rights under the Agreement.

\_\_\_\_\_  
Spouse of «Name»

ATTACHMENT A

**ASSIGNMENT SEPARATE FROM CERTIFICATE**

FOR VALUE RECEIVED and pursuant to that certain Early Exercise Notice and Restricted Stock Purchase Agreement between the undersigned (“Purchaser”) and Syndax Pharmaceuticals, Inc. (the “Company”) dated \_\_\_\_\_, \_\_\_\_\_ (the “Agreement”), Purchaser hereby sells, assigns and transfers unto the Company \_\_\_\_\_ ( \_\_\_\_\_ ) shares of the Common Stock of the Company, standing in Purchaser’s name on the books of the Company and represented by Certificate No. \_\_\_\_\_, and does hereby irrevocably constitute and appoint \_\_\_\_\_ to transfer said stock on the books of the Company with full power of substitution in the premises. THIS ASSIGNMENT MAY ONLY BE USED AS AUTHORIZED BY THE AGREEMENT AND THE ATTACHMENTS THERETO.

Dated: \_\_\_\_\_

Signature:

\_\_\_\_\_  
«Name»

\_\_\_\_\_  
Spouse of «Name» (if applicable)

**Instruction: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to exercise its Repurchase Option set forth in the Agreement without requiring additional signatures on the part of Purchaser.**

**ACKNOWLEDGMENT AND STATEMENT OF DECISION**  
**REGARDING SECTION 83(b) ELECTION**

The undersigned (which term includes the undersigned's spouse), a purchaser of \_\_\_\_\_ shares of Common Stock of Syndax Pharmaceuticals, Inc., a Delaware corporation (the "Company") by exercise of an option (the "Option") granted pursuant to the Company's 2007 Stock Plan (the "Plan"), hereby states as follows:

1. The undersigned acknowledges receipt of a copy of the Plan relating to the offering of such shares. The undersigned has carefully reviewed the Plan and the option agreement pursuant to which the Option was granted.

2. The undersigned either [check and complete as applicable]:

(a) \_\_\_\_\_ has consulted, and has been fully advised by, the undersigned's own tax advisor, \_\_\_\_\_, whose business address is \_\_\_\_\_, regarding the federal, state and local tax consequences of purchasing shares under the Plan, and particularly regarding the advisability of making elections pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code") and pursuant to the corresponding provisions, if any, of applicable state law; or

(b) \_\_\_\_\_ has knowingly chosen not to consult such a tax advisor.

3. The undersigned hereby states that the undersigned has decided [check as applicable]:

(a) \_\_\_\_\_ to make an election pursuant to Section 83(b) of the Code, and is submitting to the Company, together with the undersigned's executed Early Exercise Notice and Restricted Stock Purchase Agreement, an executed form entitled "Election Under Section 83(b) of the Internal Revenue Code of 1986;" or

(b) \_\_\_\_\_ not to make an election pursuant to Section 83(b) of the Code.

4. Neither the Company nor any subsidiary or representative of the Company has made any warranty or representation to the undersigned with respect to the tax consequences of the undersigned's purchase of shares under the Plan or of the making or failure to make an election pursuant to Section 83(b) of the Code or the corresponding provisions, if any, of applicable state law.

Date: \_\_\_\_\_

\_\_\_\_\_  
«Name»

Date: \_\_\_\_\_

\_\_\_\_\_  
Spouse of «Name»

**ELECTION UNDER SECTION 83(b)**  
**OF THE INTERNAL REVENUE CODE OF 1986**

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code, to include in taxpayer's gross income or alternative minimum taxable income, as applicable, for the current taxable year, the amount of any income that may be taxable to taxpayer in connection with taxpayer's receipt of the property described below:

1. The name, address, taxpayer identification number and taxable year of the undersigned are as follows:

NAME OF TAXPAYER: «Name»

NAME OF SPOUSE:

ADDRESS:

IDENTIFICATION NO. OF TAXPAYER:

IDENTIFICATION NO. OF SPOUSE:

TAXABLE YEAR:

2. The property with respect to which the election is made is described as follows:

shares of the Common Stock of Syndax Pharmaceuticals, Inc., a Delaware corporation (the "Company").

3. The date on which the property was transferred is:

4. The property is subject to the following restrictions:

Repurchase option at cost in favor of the Company upon termination of taxpayer's employment or consulting relationship.

5. The Fair Market Value at the time of transfer, determined without regard to any restriction other than a restriction which by its terms will never lapse, of such property is: \$

6. The amount (if any) paid for such property: \$

The undersigned has submitted a copy of this statement to the person for whom the services were performed in connection with the undersigned's receipt of the above-described property. The transferee of such property is the person performing the services in connection with the transfer of said property.

The undersigned understands that the foregoing election may not be revoked except with the consent of the Commissioner.

Dated: \_\_\_\_\_

\_\_\_\_\_  
«Name»

Dated: \_\_\_\_\_

\_\_\_\_\_  
Spouse of «Name»

**RECEIPT AND CONSENT**

The undersigned hereby acknowledges receipt of a photocopy of Certificate No.     for                    shares of Common Stock of Syndax Pharmaceuticals, Inc. (the "Company").

The undersigned further acknowledges that the Secretary of the Company, or his or her designee, is acting as escrow holder pursuant to the Early Exercise Notice and Restricted Stock Purchase Agreement Purchaser has previously entered into with the Company. As escrow holder, the Secretary of the Company, or his or her designee, holds the original of the aforementioned certificate issued in the undersigned's name.

Dated: \_\_\_\_\_

\_\_\_\_\_  
«Name»

SYNDAX PHARMACEUTICALS, INC.

2007 STOCK PLAN

**EXERCISE NOTICE AND RESTRICTED STOCK PURCHASE AGREEMENT**

This Agreement ("Agreement") is made as of \_\_\_\_\_, by and between Syndax Pharmaceuticals, Inc., a Delaware corporation (the "Company"), and ("Purchaser"). To the extent any capitalized terms used in this Agreement are not defined, they shall have the meaning ascribed to them in the Company's 2007 Stock Plan (the "Plan").

1. **Exercise of Option.** Subject to the terms and conditions hereof, Purchaser hereby elects to exercise his or her option to purchase \_\_\_\_\_ shares of the Common Stock (the "Shares") of the Company under and pursuant to the Plan and the Stock Option Agreement granted \_\_\_\_\_, (the "Option Agreement"). The purchase price for the Shares shall be \$ \_\_\_\_\_ per Share for a total purchase price of \$ \_\_\_\_\_. The term "Shares" refers to the purchased Shares and all securities received in replacement of the Shares or as stock dividends or splits, all securities received in replacement of the Shares in a recapitalization, merger, reorganization, exchange or the like, and all new, substituted or additional securities or other properties to which Purchaser is entitled by reason of Purchaser's ownership of the Shares.

2. **Time and Place of Exercise.** The purchase and sale of the Shares under this Agreement shall occur at the principal office of the Company simultaneously with the execution and delivery of this Agreement in accordance with the provisions of Section 3(b) of the Option Agreement. On such date, provided that all of the conditions set forth in Section 12 of the Plan have been fulfilled, the Company will deliver to Purchaser a certificate representing the Shares to be purchased by Purchaser (which shall be issued in Purchaser's name) against payment of the exercise price therefor by Purchaser by any method listed in Section 4 of the Option Agreement, and the satisfaction of Purchaser's tax withholding obligations pursuant to Section 3(b)(ii) of the Option Agreement.

3. **Limitations on Transfer.** In addition to any other limitation on transfer created by applicable securities laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares except in compliance with the provisions below and applicable securities laws.

(a) **Right of First Refusal.** Before any Shares held by Purchaser or any transferee of Purchaser (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 3(a) (the "Right of First Refusal").

(i) **Notice of Proposed Transfer.** The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide



intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee (“Proposed Transferee”); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the terms and conditions of each proposed sale or transfer. The Holder shall offer the Shares at the same price (the “Offered Price”) and upon the same terms (or terms as similar as reasonably possible) to the Company or its assignee(s).

(ii) **Exercise of Right of First Refusal.** At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (iii) below.

(iii) **Purchase Price.** The purchase price (“Purchase Price”) for the Shares purchased by the Company or its assignee(s) under this Section 3(a) shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(iv) **Payment.** Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness, or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(v) **Holder’s Right to Transfer.** If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 3(a), then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within sixty (60) days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 3 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(vi) **Exception for Certain Family Transfers.** Anything to the contrary contained in this Section 3(a) notwithstanding, the transfer of any or all of the Shares during Purchaser’s lifetime or on Purchaser’s death by will or intestacy to Purchaser’s Immediate Family or a trust for the benefit of Purchaser’s Immediate Family shall be exempt from the provisions of this Section 3(a). “Immediate Family” as used herein shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships). In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(b) **Involuntary Transfer.**

(i) **Company's Right to Purchase upon Involuntary Transfer.** In the event, at any time after the date of this Agreement, of any transfer by operation of law or other involuntary transfer (including death or divorce, but excluding a transfer to Immediate Family as set forth in Section 3(a)(vi) above) of all or a portion of the Shares by the record holder thereof, the Company shall have an option to purchase all of the Shares transferred. Upon such a transfer, the person acquiring the Shares shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of thirty (30) days following receipt by the Company of written notice by the person acquiring the Shares.

(ii) **Price for Involuntary Transfer.** With respect to any stock to be transferred pursuant to Section 3(b)(i), the price per Share shall be a price set by the Board of Directors of the Company that will reflect the current value of the stock in terms of present earnings and future prospects of the Company. The Company shall notify Purchaser or his or her executor of the price so determined within thirty (30) days after receipt by it of written notice of the transfer or proposed transfer of Shares. However, if the Purchaser or his or her executor does not agree with the valuation as determined by the Board of Directors of the Company, the Purchaser or the executor shall be entitled to have the valuation determined by an independent appraiser to be mutually agreed upon by the Company and the Purchaser or the executor and whose fees shall be borne equally by the Company and the Purchaser or the Purchaser's estate.

(c) **Assignment.** The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any stockholder or stockholders of the Company or other persons or organizations.

(e) **Restrictions Binding on Transferees.** All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement. Any sale or transfer of the Company's Shares shall be void unless the provisions of this Agreement are satisfied.

(f) **Termination of Rights.** The right of first refusal granted the Company by Section 3(a) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(b) above shall terminate upon the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"). Upon termination of the right of first refusal described in Section 3(a) above, a new certificate or certificates representing the Shares not repurchased shall be issued, on request, without the legend referred to in Section 5(a)(ii) herein and delivered to Purchaser.

4. **Investment and Taxation Representations.** In connection with the purchase of the Shares, Purchaser represents to the Company the following:

(a) Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed

and knowledgeable decision to acquire the Shares. Purchaser is purchasing these securities for investment for his or her own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act or under any applicable provision of state law. Purchaser does not have any present intention to transfer the Shares to any person or entity.

(b) Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein.

(c) Purchaser further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities. Purchaser understands that the certificate(s) evidencing the securities will be imprinted with a legend which prohibits the transfer of the securities unless they are registered or such registration is not required in the opinion of counsel for the Company.

(d) Purchaser is familiar with the provisions of Rules 144 and 701, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Purchaser understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144 or Rule 701, which rules require, among other things, that the Company be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this paragraph (d), Purchaser acknowledges and agrees to the restrictions set forth in paragraph (e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 or 701 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

(f) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

**5. Restrictive Legends and Stop-Transfer Orders.**

(a) **Legends.** The certificate or certificates representing the Shares shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):

- (i) THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.
- (ii) THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

(b) **Stop-Transfer Notices.** Purchaser agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) **Refusal to Transfer.** The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

6. **No Employment Rights.** Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent or Subsidiary of the Company, to terminate Purchaser’s employment or consulting relationship, for any reason, with or without cause.

7. **Lock-Up Agreement.** In connection with the initial public offering of the Company’s securities and upon request of the Company or the underwriters managing any underwritten offering of the Company’s securities, Purchaser agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (other than those included in the registration)

without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering.

#### 8. **Miscellaneous.**

(a) **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.

(b) **Entire Agreement; Enforcement of Rights.** This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

(c) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(d) **Construction.** This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(e) **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by telegram or fax or forty-eight (48) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

(f) **Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(g) **Successors and Assigns.** The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by the Company's successors and assigns. The rights and obligations of Purchaser under this Agreement may only be assigned with the prior written consent of the Company.

(h) **California Corporate Securities Law.** THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

[Signature Page Follows]

The parties have executed this Exercise Notice and Restricted Stock Purchase Agreement as of the date first set forth above.

**COMPANY:**

**SYNDAX PHARMACEUTICALS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PURCHASER:**

«Name»

\_\_\_\_\_  
(Signature)

Address: \_\_\_\_\_  
\_\_\_\_\_

I, \_\_\_\_\_, spouse of «Name», have read and hereby approve the foregoing Agreement. In consideration of the Company's granting my spouse the right to purchase the Shares as set forth in the Agreement, I hereby agree to be irrevocably bound by the Agreement and further agree that any community property or other such interest shall hereby be similarly bound by the Agreement. I hereby appoint my spouse as my attorney-in-fact with respect to any amendment or exercise of any rights under the Agreement.

\_\_\_\_\_  
Spouse of «Name»

**RECEIPT**

The undersigned hereby acknowledges receipt of Certificate No.     for     shares of Common Stock of Syndax Pharmaceuticals, Inc.

Dated: \_\_\_\_\_

\_\_\_\_\_  
«Name»



**RECEIPT**

Syndax Pharmaceuticals, Inc. (the "Company") hereby acknowledges receipt of a check in the amount of \$ \_\_\_\_\_ given by «Name» as consideration for Certificate No. \_\_\_\_\_ for \_\_\_\_\_ shares of Common Stock of the Company.

Dated: \_\_\_\_\_

SYNDAX PHARMACEUTICALS, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_  
(print)

Title: \_\_\_\_\_

## SYNDAX PHARMACEUTICALS, INC.

## 2007 STOCK PLAN

NOTICE OF STOCK OPTION GRANT

«Name»:

You have been granted an option to purchase Common Stock of Syndax Pharmaceuticals, Inc. (the "Company") as follows:

Date of Grant:	«Date»
Exercise Price per Share:	«Price»
Total Number of Shares Granted:	«NQSO»
Total Exercise Price:	«NQSO_Exercise»
Type of Option:	Non-Statutory Stock Option
Expiration Date:	«Expiration Date»
Vesting Commencement Date:	«Vest Date»
Vesting/Exercise Schedule:	This Option may be exercised, in whole or in part, at any time or from time to time after the Date of Grant. So long as your Continuous Service Status with the Company continues, the Shares underlying this Option shall vest in accordance with the following schedule: twenty-five percent (25%) of the total number of Shares subject to the Option shall vest on the Grant Date and 1/36 <sup>th</sup> of the total remaining number of Shares subject to the Option shall vest on the same day of each month thereafter.
Termination Period:	This Option may be exercised for ninety (90) days after termination of Optionee's Continuous Service Status except as set out in Section 5 of the Stock Option Agreement (but in no event later than the Expiration Date). Optionee is responsible for keeping track of these exercise periods following termination for any reason of his or her service relationship with the Company. The Company will not provide further notice of such periods.
Transferability:	This Option may not be transferred.

By your signature and the signature of the Company's representative below, you and the Company agree that this option is granted under and governed by the terms and conditions of the Syndax Pharmaceuticals, Inc. 2007 Stock Plan and the Stock Option Agreement, both of which are attached and made a part of this document.

In addition, you agree and acknowledge that your rights to any Shares underlying the Option will be earned only as you provide services to the Company over time, that the grant of the Option is not as consideration for services you rendered to the Company prior to your Vesting Commencement Date, and that nothing in this Notice or the attached documents confers upon you any right to continue your employment or consulting relationship with the Company for any period of time, nor does it interfere in any way with your right or the Company's right to terminate that relationship at any time, for any reason, with or without cause.

Dated:    «Date»

SYNDAX PHARMACEUTICALS, INC.

\_\_\_\_\_  
«Name»

By: \_\_\_\_\_  
«Name»  
«Title»

2007 STOCK PLAN

**STOCK OPTION AGREEMENT**

1. **Grant of Option.** Syndax Pharmaceuticals, Inc., a Delaware corporation (the "Company"), hereby grants to «Name» ("Optionee"), an option (the "Option") to purchase the total number of shares of Common Stock (the "Shares") set forth in the Notice of Stock Option Grant (the "Notice"), at the exercise price per Share set forth in the Notice (the "Exercise Price") subject to the terms, definitions and provisions of the Syndax Pharmaceuticals, Inc. 2007 Stock Plan (the "Plan") adopted by the Company, which is incorporated in this Agreement by reference. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings defined in the Plan.

2. **Designation of Option.** This Option is intended to be an Incentive Stock Option as defined in Section 422 of the Code only to the extent so designated in the Notice, and to the extent it is not so designated or to the extent the Option does not qualify as an Incentive Stock Option, it is intended to be a Nonstatutory Stock Option.

Notwithstanding the above, if designated as an Incentive Stock Option, in the event that the Shares subject to this Option (and all other Incentive Stock Options granted to Optionee by the Company or any Parent or Subsidiary, including under other plans of the Company) that first become exercisable in any calendar year have an aggregate fair market value (determined for each Share as of the date of grant of the option covering such Share) in excess of \$100,000, the Shares in excess of \$100,000 shall be treated as subject to a Nonstatutory Stock Option, in accordance with Section 5(c) of the Plan.

3. **Exercise of Option.** This Option shall be exercisable during its term in accordance with the Vesting/Exercise Schedule set out in the Notice and with the provisions of Section 10 of the Plan as follows:

(a) **Right to Exercise.**

(i) This Option may not be exercised for a fraction of a share.

(ii) In the event of Optionee's death, disability or other termination of employment, the exercisability of the Option is governed by Section 5 below, subject to the limitations contained in this Section 3.

(iii) In no event may this Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(b) **Method of Exercise.**

(i) This Option shall be exercisable in whole or in part by execution and delivery of the Early Exercise Notice and Restricted Stock Purchase Agreement attached hereto as Exhibit A, the Exercise Notice and Restricted Stock Purchase Agreement attached hereto as Exhibit B, or any other form of written notice approved for such purpose by the Company which shall state Optionee's election to exercise the Option, the number of Shares in respect of which the Option is being exercised, and such other representations and agreements as to the holder's investment intent with respect to such Shares as may be required by the Company pursuant to the provisions of the Plan. Such written notice shall be signed by Optionee and shall be delivered to the Company by such means as are determined by the Plan Administrator in its discretion to constitute adequate delivery. The written notice shall be accompanied by payment of the Exercise Price. This Option shall be deemed to be exercised upon receipt by the Company of such written notice accompanied by the Exercise Price.

(ii) As a condition to the exercise of this Option and to the issuance of the Shares as further set forth in Section 12 of the Plan, Optionee agrees to make adequate provision for federal, state or other tax withholding obligations, if any, which arise upon the vesting or exercise of the Option, or disposition of Shares, whether by withholding, direct payment to the Company, or otherwise.

(iii) The Company is not obligated, and will have no liability for failure, to issue or deliver any Shares upon exercise of the Option unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any applicable federal or state securities or other law or regulation, including any rule under Part 221 of Title 12 of the Code of Federal Regulations as promulgated by the Federal Reserve Board. As a condition to the exercise of this Option, the Company may require Optionee to make any representation and warranty to the Company as may be required by the Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Optionee on the date on which the Option is exercised with respect to such Shares.

4. **Method of Payment.** Payment of the Exercise Price shall be by any of the following, or a combination of the following, at the election of Optionee:

(a) cash or check;

(b) cancellation of indebtedness;

(c) prior to the date, if any, upon which the Common Stock becomes a Listed Security, by surrender of other shares of Common Stock of the Company that have an aggregate Fair Market Value on the date of surrender equal to the Exercise Price of the Shares as to which the Option is being exercised. In the case of shares acquired directly or indirectly from the Company, such shares must have been owned by Optionee for more than six (6) months on the

date of surrender (or such other period of time as is necessary to avoid the Company's incurring adverse accounting charges); or

(d) following the date, if any, upon which the Common Stock is a Listed Security, and if the Company is at such time permitting "same day sale" cashless brokered exercises, delivery of a properly executed exercise notice together with irrevocable instructions to a broker participating in such cashless brokered exercise program to deliver promptly to the Company the amount required to pay the exercise price (and applicable withholding taxes).

5. **Termination of Relationship.** Following the date of termination of Optionee's Continuous Service Status for any reason (the "Termination Date"), Optionee may exercise the Option only as set forth in the Notice and this Section 5. To the extent that Optionee is not entitled to exercise this Option as of the Termination Date, or if Optionee does not exercise this Option within the Termination Period set forth in the Notice or the termination periods set forth below, the Option shall terminate in its entirety. In no event may any Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(a) **Termination.** In the event of termination of Optionee's Continuous Service Status other than as a result of Optionee's disability or death, Optionee may, to the extent Optionee is vested in the Option Shares at the date of such termination (the "Termination Date"), exercise this Option during the Termination Period set forth in the Notice.

(b) **Other Terminations.** In connection with any termination other than a termination covered by Section 5(a), Optionee may exercise the Option only as described below:

(i) **Termination upon Disability of Optionee.** In the event of termination of Optionee's Continuous Service Status as a result of Optionee's disability, Optionee may, but only within six (6) months from the Termination Date, exercise this Option to the extent Optionee was vested in the Option Shares as of such Termination Date.

(ii) **Death of Optionee.** In the event of the death of Optionee (a) during the term of this Option and while an Employee or Consultant of the Company and having been in Continuous Service Status since the date of grant of the Option, or (b) within thirty (30) days after Optionee's Termination Date, the Option may be exercised at any time within six (6) months following the date of death by Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent Optionee was vested in the Option as of the Termination Date.

6. **Non-Transferability of Option.** Except as otherwise set forth in the Notice, this Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by him or her. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of Optionee.

7. **Tax Consequences.** Below is a brief summary as of the date of this Option of certain of the federal tax consequences of exercise of this Option and disposition of the Shares under the laws in effect as of the Date of Grant. THIS SUMMARY IS INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. OPTIONEE

(a) **Incentive Stock Option.**

(i) **Tax Treatment upon Exercise and Sale of Shares.** If this Option qualifies as an Incentive Stock Option, there will be no regular federal income tax liability upon the exercise of the Option, although the excess, if any, of the fair market value of the Shares on the date of exercise over the Exercise Price will be treated as an adjustment to the alternative minimum tax for federal tax purposes and may subject Optionee to the alternative minimum tax in the year of exercise. If Shares issued upon exercise of an Incentive Stock Option are held for at least one (1) year after exercise and are disposed of at least two (2) years after the Option grant date, any gain realized on disposition of the Shares will also be treated as long-term capital gain for federal income tax purposes. If Shares issued upon exercise of an Incentive Stock Option are disposed of within such one (1)-year period or within two (2) years after the Option grant date, any gain realized on such disposition will be treated as compensation income (taxable at ordinary income rates) to the extent of the difference between the Exercise Price and the lesser of (i) the Fair Market Value of the Shares on the date of exercise, or (ii) the sale price of the Shares.

(ii) **Notice of Disqualifying Dispositions.** With respect to any Shares issued upon exercise of an Incentive Stock Option, if Optionee sells or otherwise disposes of such Shares on or before the later of (i) the date two (2) years after the Option grant date, or (ii) the date one (1) year after the date of exercise, Optionee shall immediately notify the Company in writing of such disposition. Optionee acknowledges and agrees that he or she may be subject to income tax withholding by the Company on the compensation income recognized by Optionee from the early disposition by payment in cash or out of the current earnings paid to Optionee.

(b) **Nonstatutory Stock Option.** If this Option does not qualify as an Incentive Stock Option, there may be a regular federal (and state) income tax liability upon the exercise of the Option. Optionee will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price. If Optionee is an Employee, the Company will be required to withhold from Optionee's compensation or collect from Optionee and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of exercise. If Shares issued upon exercise of a Nonstatutory Stock Option are held for at least one (1) year, any gain realized on disposition of the Shares will be treated as long-term capital gain for federal income tax purposes.

8. **Lock-Up Agreement.** In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Optionee hereby agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute

an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering.

9. **Effect of Agreement.** Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the Option terms), and hereby accepts this Option and agrees to be bound by its contractual terms as set forth herein and in the Plan. Optionee hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Plan Administrator regarding any questions relating to the Option. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of the Notice and this Agreement, the Plan terms and provisions shall prevail. The Option, including the Plan, constitutes the entire agreement between Optionee and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter.

*[Signature Page Follows]*



This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one document.

Dated: «Date»

SYNDAX PHARMACEUTICALS, INC.

\_\_\_\_\_  
«Name»

By: \_\_\_\_\_  
«Name»  
«Title»

Address for Notice:

«Address\_1»  
«City», «State» «Zip»

EXHIBIT A

SYNDAX PHARMACEUTICALS, INC.

2007 STOCK PLAN

**EARLY EXERCISE NOTICE AND RESTRICTED STOCK PURCHASE AGREEMENT**

This Agreement ("Agreement") is made as of \_\_\_\_\_, by and between Syndax Pharmaceuticals, Inc., a Delaware corporation (the "Company"), and «Name» ("Purchaser"). To the extent any capitalized terms used in this Agreement are not defined, they shall have the meaning ascribed to them in the Company's 2007 Stock Plan (the "Plan").

1. **Exercise of Option.** Subject to the terms and conditions hereof, Purchaser hereby elects to exercise his or her option to purchase \_\_\_\_\_ shares of the Common Stock (the "Shares") of the Company under and pursuant to the Plan and the Stock Option Agreement granted (the "Option Agreement"). Of these Shares, Purchaser has elected to purchase \_\_\_\_\_ of those Shares which have become vested as of the date hereof under the Vesting/Exercise Schedule set forth in the Notice of Stock Option Grant (the "Vested Shares") and \_\_\_\_\_ Shares which have not yet vested under such Vesting/Exercise Schedule (the "Unvested Shares"). The purchase price for the Shares shall be «Price» per Share for a total purchase price of \$ \_\_\_\_\_. The term "Shares" refers to the purchased Shares and all securities received in replacement of the Shares or as stock dividends or splits, all securities received in replacement of the Shares in a recapitalization, merger, reorganization, exchange or the like, and all new, substituted or additional securities or other properties to which Purchaser is entitled by reason of Purchaser's ownership of the Shares.

2. **Time and Place of Exercise.** The purchase and sale of the Shares under this Agreement shall occur at the principal office of the Company simultaneously with the execution and delivery of this Agreement in accordance with the provisions of Section 3(b) of the Option Agreement. On such date, provided that all of the conditions set forth in Section 12 of the Plan have been fulfilled, the Company will deliver to Purchaser a certificate representing the Shares to be purchased by Purchaser (which shall be issued in Purchaser's name) against payment of the exercise price therefor by Purchaser by any method listed in Section 4 of the Option Agreement, and the satisfaction of Purchaser's tax withholding obligations pursuant to Section 3(b)(ii) of the Option Agreement.

3. **Limitations on Transfer.** In addition to any other limitation on transfer created by applicable securities laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares while the Shares are subject to the Company's Repurchase Option (as defined below). After any Shares have been released from such Repurchase Option, Purchaser shall not assign, encumber or dispose of any interest in such Shares except in compliance with the provisions below and applicable securities laws.

(a) **Repurchase Option.**

(i) In the event of the voluntary or involuntary termination of Purchaser's Continuous Service Status with the Company for any reason (including death or

disability), with or without cause, the Company shall upon the date of such termination (the "Termination Date") have an irrevocable, exclusive option (the "Repurchase Option") for a period of ninety (90) days from such date to repurchase all or any portion of the Shares held by Purchaser as of the Termination Date which have not yet been released from the Company's Repurchase Option at the original purchase price per Share specified in Section 1 (adjusted for any stock splits, stock dividends and the like).

(ii) Unless the Company notifies Purchaser within ninety (90) days from the date of termination of Purchaser's Continuous Service Status that it does not intend to exercise its Repurchase Option with respect to some or all of the Shares, the Repurchase Option shall be deemed automatically exercised by the Company as of the ninetieth (90<sup>th</sup>) day following such termination, provided that the Company may notify Purchaser that it is exercising its Repurchase Option as of a date prior to such ninetieth (90<sup>th</sup>) day. Unless Purchaser is otherwise notified by the Company pursuant to the preceding sentence that the Company does not intend to exercise its Repurchase Option as to some or all of the Shares to which it applies at the time of termination, execution of this Agreement by Purchaser constitutes written notice to Purchaser of the Company's intention to exercise its Repurchase Option with respect to all Shares to which such Repurchase Option applies. The Company, at its choice, may satisfy its payment obligation to Purchaser with respect to exercise of the Repurchase Option by either (A) delivering a check to Purchaser in the amount of the purchase price for the Shares being repurchased, or (B) in the event Purchaser is indebted to the Company, canceling an amount of such indebtedness equal to the purchase price for the Shares being repurchased, or (C) by a combination of (A) and (B) so that the combined payment and cancellation of indebtedness equals such purchase price. In the event of any deemed automatic exercise of the Repurchase Option pursuant to this Section 3(a)(ii) in which Purchaser is indebted to the Company, such indebtedness equal to the purchase price of the Shares being repurchased shall be deemed automatically canceled as of the ninetieth (90<sup>th</sup>) day following termination of Purchaser's Continuous Service Status unless the Company otherwise satisfies its payment obligations. As a result of any repurchase of Shares pursuant to this Section 3(a), the Company shall become the legal and beneficial owner of the Shares being repurchased and shall have all rights and interest therein or related thereto, and the Company shall have the right to transfer to its own name the number of Shares being repurchased by the Company, without further action by Purchaser.

(iii) One hundred percent (100%) of the Shares shall initially be subject to the Repurchase Option. The Unvested Shares shall be released from the Repurchase Option in accordance with the Vesting/Exercise Schedule set forth in the Notice of Stock Option Grant until all Shares are released from the Repurchase Option. Fractional shares shall be rounded to the nearest whole share.

(iv) In the event of a Company Sale (as such term is defined below), the Repurchase Option shall expire with respect to fifty percent (50%) of the shares of Common Stock then subject to the Repurchase Option. Thereafter, the Repurchase Option shall expire with respect to any shares of Common Stock remaining subject to the Repurchase Option in equal monthly installments over the number of months remaining of the forty-eight (48) month period provided for in the Vesting/Exercise Schedule set forth in the Notice of Stock Option Grant. In addition, if within the period beginning on the first (1st) day of the calendar month immediately preceding the calendar month in which the effective date of such Company Sale

occurs and ending on the last day of the thirteenth (13th) calendar month following the calendar month in which the effective date of Company Sale occurs, the Purchaser's employment with the Company terminates due to an involuntary termination thereof by the Company (or any successor) without cause (not including death or disability) or due to a Constructive Termination (as such term is defined below), then the Repurchase Option shall expire in full with respect to all shares of Common Stock subject thereto as of the date of such termination of the Purchaser's employment.

For purposes of this Section 3(a)(iv) only:

(A) A "Company Sale" shall mean (i) the acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger, stock purchase or consolidation) or (ii) a sale of all or substantially all of the assets of the Company; unless the Company's stockholders of record as constituted immediately prior to any such transaction will, immediately after such transaction (by virtue of securities issued as consideration for the Company's capital stock, assets or otherwise) hold more than fifty percent (50%) of the voting power of the surviving or acquiring entity.

(B) "Constructive Termination" means Purchaser's voluntary resignation following (i) a material reduction in the level of responsibility associated with the Purchaser's employment with the Company or any surviving entity (other than a change in job title or officer title), (ii) any reduction in the Purchaser's level of base salary, or (iii) a relocation of the Purchaser's principal place of employment by more than fifty (50) miles (other than reasonable business travel required as part of the job duties associated with the Purchaser's position), provided, and only in the event that, such change, reduction or relocation is effected by the Company without cause and without the Purchaser's consent.

(b) **Right of First Refusal.** Before any Shares held by Purchaser or any transferee of Purchaser (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 3(b) (the "Right of First Refusal").

(i) **Notice of Proposed Transfer.** The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the terms and conditions of each proposed sale or transfer. The Holder shall offer the Shares at the same price (the "Offered Price") and upon the same terms (or terms as similar as reasonably possible) to the Company or its assignee(s).

(ii) **Exercise of Right of First Refusal.** At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (iii) below.

(iii) **Purchase Price.** The purchase price (“Purchase Price”) for the Shares purchased by the Company or its assignee(s) under this Section 3(b) shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(iv) **Payment.** Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness, or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(v) **Holder’s Right to Transfer.** If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 3(b), then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within sixty (60) days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 3 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(vi) **Exception for Certain Family Transfers.** Anything to the contrary contained in this Section 3(b) notwithstanding, the transfer of any or all of the Shares during Purchaser’s lifetime or on Purchaser’s death by will or intestacy to Purchaser’s Immediate Family or a trust for the benefit of Purchaser’s Immediate Family shall be exempt from the provisions of this Section 3(b). “Immediate Family” as used herein shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships). In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(c) **Involuntary Transfer.**

(i) **Company’s Right to Purchase upon Involuntary Transfer.** In the event, at any time after the date of this Agreement, of any transfer by operation of law or other involuntary transfer (including death or divorce, but excluding a transfer to Immediate Family as set forth in Section 3(b)(vi) above) of all or a portion of the Shares by the record holder thereof, the Company shall have an option to purchase all of the Shares transferred. Upon such a transfer, the person acquiring the Shares shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of thirty (30) days following receipt by the Company of written notice by the person acquiring the Shares.

(ii) **Price for Involuntary Transfer.** With respect to any stock to be transferred pursuant to Section 3(c)(i), the price per Share shall be a price set by the Board of Directors of the Company that will reflect the current value of the stock in terms of present earnings and future prospects of the Company. The Company shall notify Purchaser or his or her executor of the price so determined within thirty (30) days after receipt by it of written notice of the transfer or proposed transfer of Shares. However, if the Purchaser or his or her executor does not agree with the valuation as determined by the Board of Directors of the Company, the Purchaser or the executor shall be entitled to have the valuation determined by an independent appraiser to be mutually agreed upon by the Company and the Purchaser or the executor and whose fees shall be borne equally by the Company and the Purchaser or the Purchaser's estate.

(d) **Assignment.** The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any stockholder or stockholders of the Company or other persons or organizations.

(e) **Restrictions Binding on Transferees.** All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement, including, insofar as applicable, the Repurchase Option. In the event of any purchase by the Company hereunder where the Shares or interest are held by a transferee, the transferee shall be obligated, if requested by the Company, to transfer the Shares or interest to the Purchaser for consideration equal to the amount to be paid by the Company hereunder. In the event the Repurchase Option is deemed exercised by the Company pursuant to Section 3(a)(ii) hereof, the Company may deem any transferee to have transferred the Shares or interest to Purchaser prior to their purchase by the Company, and payment of the purchase price by the Company to such transferee shall be deemed to satisfy Purchaser's obligation to pay such transferee for such Shares or interest, and also to satisfy the Company's obligation to pay Purchaser for such Shares or interest. Any sale or transfer of the Shares shall be void unless the provisions of this Agreement are satisfied.

(f) **Termination of Rights.** The right of first refusal granted the Company by Section 3(b) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(c) above shall terminate upon the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"). Upon termination of the right of first refusal described in Section 3(b) above, a new certificate or certificates representing the Shares not repurchased shall be issued, on request, without the legend referred to in Section 6(a)(ii) herein and delivered to Purchaser.

4. **Escrow of Unvested Shares.** For purposes of facilitating the enforcement of the provisions of Section 3 above, Purchaser agrees, immediately upon receipt of the certificate(s) for the Shares subject to the Repurchase Option, to deliver such certificate(s), together with an Assignment Separate from Certificate in the form attached to this Agreement as Attachment A executed by Purchaser and by Purchaser's spouse (if required for transfer), in blank, to the Secretary of the Company, or the Secretary's designee, to hold such certificate(s) and Assignment Separate from Certificate in escrow and to take all such actions and to effectuate all such transfers and/or releases as are in accordance with the terms of this Agreement. Purchaser

hereby acknowledges that the Secretary of the Company, or the Secretary's designee, is so appointed as the escrow holder with the foregoing authorities as a material inducement to make this Agreement and that said appointment is coupled with an interest and is accordingly irrevocable. Purchaser agrees that said escrow holder shall not be liable to any party hereof (or to any other party). The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Purchaser agrees that if the Secretary of the Company, or the Secretary's designee, resigns as escrow holder for any or no reason, the Board of Directors of the Company shall have the power to appoint a successor to serve as escrow holder pursuant to the terms of this Agreement.

5. **Investment and Taxation Representations.** In connection with the purchase of the Shares, Purchaser represents to the Company the following:

(a) Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Purchaser is purchasing these securities for investment for his or her own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act or under any applicable provision of state law. Purchaser does not have any present intention to transfer the Shares to any person or entity.

(b) Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein.

(c) Purchaser further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities. Purchaser understands that the certificate(s) evidencing the securities will be imprinted with a legend which prohibits the transfer of the securities unless they are registered or such registration is not required in the opinion of counsel for the Company.

(d) Purchaser is familiar with the provisions of Rules 144 and 701, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Purchaser understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144 or Rule 701, which rules require, among other things, that the Company be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this paragraph (d), Purchaser acknowledges and agrees to the restrictions set forth in paragraph (e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 or 701 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

(f) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

#### **6. Restrictive Legends and Stop-Transfer Orders.**

(a) **Legends.** The certificate or certificates representing the Shares shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):

- (i) THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.
- (ii) THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

(b) **Stop-Transfer Notices.** Purchaser agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.



(c) **Refusal to Transfer.** The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

7. **No Employment Rights.** Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent or Subsidiary of the Company, to terminate Purchaser's employment or consulting relationship, for any reason, with or without cause.

8. **Section 83(b) Election.** Purchaser understands that Section 83(a) of the Internal Revenue Code of 1986, as amended (the "Code"), taxes as ordinary income for a Nonstatutory Stock Option and as alternative minimum taxable income for an Incentive Stock Option the difference between the amount paid for the Shares and the Fair Market Value of the Shares as of the date any restrictions on the Shares lapse. In this context, "restriction" means the right of the Company to buy back the Shares pursuant to the Repurchase Option set forth in Section 3(a) of this Agreement. Purchaser understands that Purchaser may elect to be taxed at the time the Shares are purchased, rather than when and as the Repurchase Option expires, by filing an election under Section 83(b) (an "83(b) Election") of the Code with the Internal Revenue Service within thirty (30) days from the date of purchase. Even if the Fair Market Value of the Shares at the time of the execution of this Agreement equals the amount paid for the Shares, the election must be made to avoid income and alternative minimum tax treatment under Section 83(a) in the future. Purchaser understands that failure to file such an election in a timely manner may result in adverse tax consequences for Purchaser. Purchaser further understands that an additional copy of such election form should be filed with his or her federal income tax return for the calendar year in which the date of this Agreement falls. Purchaser acknowledges that the foregoing is only a summary of the effect of United States federal income taxation with respect to purchase of the Shares hereunder, and does not purport to be complete. Purchaser further acknowledges that the Company has directed Purchaser to seek independent advice regarding the applicable provisions of the Code, the income tax laws of any municipality, state or foreign country in which Purchaser may reside, and the tax consequences of Purchaser's death.

Purchaser agrees that he or she will execute and deliver to the Company with this executed Agreement a copy of the Acknowledgment and Statement of Decision Regarding Section 83(b) Election (the "Acknowledgment") attached hereto as Attachment B. Purchaser further agrees that he or she will execute and submit with the Acknowledgment a copy of the 83(b) Election attached hereto as Attachment C (for tax purposes in connection with the early exercise of an option) if Purchaser has indicated in the Acknowledgment his or her decision to make such an election.

9. **Lock-Up Agreement.** In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Purchaser agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such

period of time (not to exceed one hundred eighty (180) days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering.

10. **Miscellaneous.**

(a) **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.

(b) **Entire Agreement; Enforcement of Rights.** This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

(c) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(d) **Construction.** This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(e) **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by telegram or fax or forty-eight (48) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

(f) **Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(g) **Successors and Assigns.** The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by the Company's successors and assigns. The rights and obligations of Purchaser under this Agreement may only be assigned with the prior written consent of the Company.

(h) **California Corporate Securities Law.** THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN

QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

*[Signature Page Follows]*

The parties have executed this Early Exercise Notice and Restricted Stock Purchase Agreement as of the date first set forth above.

**COMPANY:**

SYNDAX PHARMACEUTICALS, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PURCHASER:**

«Name»

\_\_\_\_\_  
(Signature)

Address: \_\_\_\_\_  
\_\_\_\_\_

I, \_\_\_\_\_, spouse of «Name», have read and hereby approve the foregoing Agreement. In consideration of the Company's granting my spouse the right to purchase the Shares as set forth in the Agreement, I hereby agree to be bound irrevocably by the Agreement and further agree that any community property or other such interest that I may have in the Shares shall hereby be similarly bound by the Agreement. I hereby appoint my spouse as my attorney-in-fact with respect to any amendment or exercise of any rights under the Agreement.

\_\_\_\_\_  
Spouse of «Name»

ATTACHMENT A

**ASSIGNMENT SEPARATE FROM CERTIFICATE**

FOR VALUE RECEIVED and pursuant to that certain Early Exercise Notice and Restricted Stock Purchase Agreement between the undersigned (“Purchaser”) and Syndax Pharmaceuticals, Inc. (the “Company”) dated \_\_\_\_\_, \_\_\_\_\_ (the “Agreement”), Purchaser hereby sells, assigns and transfers unto the Company \_\_\_\_\_ ( \_\_\_\_\_ ) shares of the Common Stock of the Company, standing in Purchaser’s name on the books of the Company and represented by Certificate No. \_\_\_\_\_, and does hereby irrevocably constitute and appoint \_\_\_\_\_ to transfer said stock on the books of the Company with full power of substitution in the premises. THIS ASSIGNMENT MAY ONLY BE USED AS AUTHORIZED BY THE AGREEMENT AND THE ATTACHMENTS THERETO.

Dated: \_\_\_\_\_

Signature:

\_\_\_\_\_  
«Name»

\_\_\_\_\_  
Spouse of «Name» (if applicable)

**Instruction: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to exercise its Repurchase Option set forth in the Agreement without requiring additional signatures on the part of Purchaser.**

ATTACHMENT B

**ACKNOWLEDGMENT AND STATEMENT OF DECISION**  
**REGARDING SECTION 83(b) ELECTION**

The undersigned (which term includes the undersigned's spouse), a purchaser of \_\_\_\_\_ shares of Common Stock of Syndax Pharmaceuticals, Inc., a Delaware corporation (the "Company") by exercise of an option (the "Option") granted pursuant to the Company's 2007 Stock Plan (the "Plan"), hereby states as follows:

1. The undersigned acknowledges receipt of a copy of the Plan relating to the offering of such shares. The undersigned has carefully reviewed the Plan and the option agreement pursuant to which the Option was granted.

2. The undersigned either [check and complete as applicable]:

- (a) \_\_\_\_\_ has consulted, and has been fully advised by, the undersigned's own tax advisor, \_\_\_\_\_, whose business address is \_\_\_\_\_, regarding the federal, state and local tax consequences of purchasing shares under the Plan, and particularly regarding the advisability of making elections pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code") and pursuant to the corresponding provisions, if any, of applicable state law; or
- (b) \_\_\_\_\_ has knowingly chosen not to consult such a tax advisor.

3. The undersigned hereby states that the undersigned has decided [check as applicable]:

- (a) \_\_\_\_\_ to make an election pursuant to Section 83(b) of the Code, and is submitting to the Company, together with the undersigned's executed Early Exercise Notice and Restricted Stock Purchase Agreement, an executed form entitled "Election Under Section 83(b) of the Internal Revenue Code of 1986;" or
- (b) \_\_\_\_\_ not to make an election pursuant to Section 83(b) of the Code.

4. Neither the Company nor any subsidiary or representative of the Company has made any warranty or representation to the undersigned with respect to the tax consequences of the undersigned's purchase of shares under the Plan or of the making or failure to make an election pursuant to Section 83(b) of the Code or the corresponding provisions, if any, of applicable state law.

Date: \_\_\_\_\_

\_\_\_\_\_  
«Name»

Date: \_\_\_\_\_

\_\_\_\_\_  
Spouse of «Name»

**ELECTION UNDER SECTION 83(b)**  
**OF THE INTERNAL REVENUE CODE OF 1986**

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code, to include in taxpayer's gross income or alternative minimum taxable income, as applicable, for the current taxable year, the amount of any income that may be taxable to taxpayer in connection with taxpayer's receipt of the property described below:

1. The name, address, taxpayer identification number and taxable year of the undersigned are as follows:

NAME OF TAXPAYER: «Name»

NAME OF SPOUSE:

ADDRESS:

IDENTIFICATION NO. OF TAXPAYER:

IDENTIFICATION NO. OF SPOUSE:

TAXABLE YEAR:

2. The property with respect to which the election is made is described as follows:

shares of the Common Stock of Syndax Pharmaceuticals, Inc., a Delaware corporation (the "Company").

3. The date on which the property was transferred is:

4. The property is subject to the following restrictions:

Repurchase option at cost in favor of the Company upon termination of taxpayer's employment or consulting relationship.

5. The Fair Market Value at the time of transfer, determined without regard to any restriction other than a restriction which by its terms will never lapse, of such property is: \$

6. The amount (if any) paid for such property: \$

The undersigned has submitted a copy of this statement to the person for whom the services were performed in connection with the undersigned's receipt of the above-described property. The transferee of such property is the person performing the services in connection with the transfer of said property.

The undersigned understands that the foregoing election may not be revoked except with the consent of the Commissioner.

Dated: \_\_\_\_\_

\_\_\_\_\_  
«Name»

Dated: \_\_\_\_\_

\_\_\_\_\_  
Spouse of «Name»



**RECEIPT AND CONSENT**

The undersigned hereby acknowledges receipt of a photocopy of Certificate No.     for                    shares of Common Stock of Syndax Pharmaceuticals, Inc. (the "Company").

The undersigned further acknowledges that the Secretary of the Company, or his or her designee, is acting as escrow holder pursuant to the Early Exercise Notice and Restricted Stock Purchase Agreement Purchaser has previously entered into with the Company. As escrow holder, the Secretary of the Company, or his or her designee, holds the original of the aforementioned certificate issued in the undersigned's name.

Dated: \_\_\_\_\_

\_\_\_\_\_  
«Name»

SYNDAX PHARMACEUTICALS, INC.

2007 STOCK PLAN

**EXERCISE NOTICE AND RESTRICTED STOCK PURCHASE AGREEMENT**

This Agreement ("Agreement") is made as of \_\_\_\_\_, by and between Syndax Pharmaceuticals, Inc., a Delaware corporation (the "Company"), and ("Purchaser"). To the extent any capitalized terms used in this Agreement are not defined, they shall have the meaning ascribed to them in the Company's 2007 Stock Plan (the "Plan").

1. **Exercise of Option.** Subject to the terms and conditions hereof, Purchaser hereby elects to exercise his or her option to purchase \_\_\_\_\_ shares of the Common Stock (the "Shares") of the Company under and pursuant to the Plan and the Stock Option Agreement granted \_\_\_\_\_, (the "Option Agreement"). The purchase price for the Shares shall be «Price» per Share for a total purchase price of \$ \_\_\_\_\_. The term "Shares" refers to the purchased Shares and all securities received in replacement of the Shares or as stock dividends or splits, all securities received in replacement of the Shares in a recapitalization, merger, reorganization, exchange or the like, and all new, substituted or additional securities or other properties to which Purchaser is entitled by reason of Purchaser's ownership of the Shares.

2. **Time and Place of Exercise.** The purchase and sale of the Shares under this Agreement shall occur at the principal office of the Company simultaneously with the execution and delivery of this Agreement in accordance with the provisions of Section 3(b) of the Option Agreement. On such date, provided that all of the conditions set forth in Section 12 of the Plan have been fulfilled, the Company will deliver to Purchaser a certificate representing the Shares to be purchased by Purchaser (which shall be issued in Purchaser's name) against payment of the exercise price therefor by Purchaser by any method listed in Section 4 of the Option Agreement, and the satisfaction of Purchaser's tax withholding obligations pursuant to Section 3(b)(ii) of the Option Agreement.

3. **Limitations on Transfer.** In addition to any other limitation on transfer created by applicable securities laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares except in compliance with the provisions below and applicable securities laws.

(a) **Right of First Refusal.** Before any Shares held by Purchaser or any transferee of Purchaser (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 3(a) (the "Right of First Refusal").

(i) **Notice of Proposed Transfer.** The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide

intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee (“Proposed Transferee”); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the terms and conditions of each proposed sale or transfer. The Holder shall offer the Shares at the same price (the “Offered Price”) and upon the same terms (or terms as similar as reasonably possible) to the Company or its assignee(s).

(ii) **Exercise of Right of First Refusal.** At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (iii) below.

(iii) **Purchase Price.** The purchase price (“Purchase Price”) for the Shares purchased by the Company or its assignee(s) under this Section 3(a) shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(iv) **Payment.** Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness, or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(v) **Holder’s Right to Transfer.** If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 3(a), then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within sixty (60) days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 3 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(vi) **Exception for Certain Family Transfers.** Anything to the contrary contained in this Section 3(a) notwithstanding, the transfer of any or all of the Shares during Purchaser’s lifetime or on Purchaser’s death by will or intestacy to Purchaser’s Immediate Family or a trust for the benefit of Purchaser’s Immediate Family shall be exempt from the provisions of this Section 3(a). “Immediate Family” as used herein shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships). In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(b) **Involuntary Transfer.**

(i) **Company's Right to Purchase upon Involuntary Transfer.** In the event, at any time after the date of this Agreement, of any transfer by operation of law or other involuntary transfer (including death or divorce, but excluding a transfer to Immediate Family as set forth in Section 3(a)(vi) above) of all or a portion of the Shares by the record holder thereof, the Company shall have an option to purchase all of the Shares transferred. Upon such a transfer, the person acquiring the Shares shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of thirty (30) days following receipt by the Company of written notice by the person acquiring the Shares.

(ii) **Price for Involuntary Transfer.** With respect to any stock to be transferred pursuant to Section 3(b)(i), the price per Share shall be a price set by the Board of Directors of the Company that will reflect the current value of the stock in terms of present earnings and future prospects of the Company. The Company shall notify Purchaser or his or her executor of the price so determined within thirty (30) days after receipt by it of written notice of the transfer or proposed transfer of Shares. However, if the Purchaser or his or her executor does not agree with the valuation as determined by the Board of Directors of the Company, the Purchaser or the executor shall be entitled to have the valuation determined by an independent appraiser to be mutually agreed upon by the Company and the Purchaser or the executor and whose fees shall be borne equally by the Company and the Purchaser or the Purchaser's estate.

(c) **Assignment.** The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any stockholder or stockholders of the Company or other persons or organizations.

(e) **Restrictions Binding on Transferees.** All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement. Any sale or transfer of the Company's Shares shall be void unless the provisions of this Agreement are satisfied.

(f) **Termination of Rights.** The right of first refusal granted the Company by Section 3(a) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(b) above shall terminate upon the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"). Upon termination of the right of first refusal described in Section 3(a) above, a new certificate or certificates representing the Shares not repurchased shall be issued, on request, without the legend referred to in Section 5(a)(ii) herein and delivered to Purchaser.

4. **Investment and Taxation Representations.** In connection with the purchase of the Shares, Purchaser represents to the Company the following:

(a) Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed

and knowledgeable decision to acquire the Shares. Purchaser is purchasing these securities for investment for his or her own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act or under any applicable provision of state law. Purchaser does not have any present intention to transfer the Shares to any person or entity.

(b) Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein.

(c) Purchaser further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities. Purchaser understands that the certificate(s) evidencing the securities will be imprinted with a legend which prohibits the transfer of the securities unless they are registered or such registration is not required in the opinion of counsel for the Company.

(d) Purchaser is familiar with the provisions of Rules 144 and 701, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Purchaser understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144 or Rule 701, which rules require, among other things, that the Company be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this paragraph (d), Purchaser acknowledges and agrees to the restrictions set forth in paragraph (e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 or 701 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

(f) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

## 5. Restrictive Legends and Stop-Transfer Orders.

(a) **Legends.** The certificate or certificates representing the Shares shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):

- (i) THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.
- (ii) THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

(b) **Stop-Transfer Notices.** Purchaser agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) **Refusal to Transfer.** The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

6. **No Employment Rights.** Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent or Subsidiary of the Company, to terminate Purchaser’s employment or consulting relationship, for any reason, with or without cause.

7. **Lock-Up Agreement.** In connection with the initial public offering of the Company’s securities and upon request of the Company or the underwriters managing any underwritten offering of the Company’s securities, Purchaser agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (other than those included in the registration)

without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering.

#### 8. **Miscellaneous.**

(a) **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.

(b) **Entire Agreement; Enforcement of Rights.** This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

(c) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(d) **Construction.** This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(e) **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by telegram or fax or forty-eight (48) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

(f) **Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(g) **Successors and Assigns.** The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by the Company's successors and assigns. The rights and obligations of Purchaser under this Agreement may only be assigned with the prior written consent of the Company.

(h) **California Corporate Securities Law.** THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

[Signature Page Follows]



The parties have executed this Exercise Notice and Restricted Stock Purchase Agreement as of the date first set forth above.

**COMPANY:**

**SYNDAX PHARMACEUTICALS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PURCHASER:**

«Name»

\_\_\_\_\_  
(Signature)

Address: \_\_\_\_\_  
\_\_\_\_\_

I, \_\_\_\_\_, spouse of «Name», have read and hereby approve the foregoing Agreement. In consideration of the Company's granting my spouse the right to purchase the Shares as set forth in the Agreement, I hereby agree to be irrevocably bound by the Agreement and further agree that any community property or other such interest shall hereby be similarly bound by the Agreement. I hereby appoint my spouse as my attorney-in-fact with respect to any amendment or exercise of any rights under the Agreement.

\_\_\_\_\_  
Spouse of «Name»

**RECEIPT**

The undersigned hereby acknowledges receipt of Certificate No.     for             shares of Common Stock of Syndax Pharmaceuticals, Inc.

Dated: \_\_\_\_\_

\_\_\_\_\_  
«Name»

**RECEIPT**

Syndax Pharmaceuticals, Inc. (the "Company") hereby acknowledges receipt of a check in the amount of \$ \_\_\_\_\_ given by «Name» as consideration for Certificate No. \_\_\_\_\_ for \_\_\_\_\_ shares of Common Stock of the Company.

Dated: \_\_\_\_\_

SYNDAX PHARMACEUTICALS, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_  
(print)

Title: \_\_\_\_\_

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**SYNDAX PHARMACEUTICALS, INC.**

**2015 OMNIBUS INCENTIVE PLAN**

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**SYNDAX PHARMACEUTICALS, INC.**

**2015 OMNIBUS INCENTIVE PLAN**

Syndax Pharmaceuticals, Inc., a Delaware corporation (the “**Company**”), sets forth herein the terms of its 2015 Omnibus Incentive Plan (the “**Plan**”), as follows:

**1. PURPOSE**

This Plan is intended to (a) provide incentive to eligible persons to stimulate their efforts towards the success of the Company and to operate and manage its business in a manner that will provide for the long term growth and profitability of the Company; and (b) provide a means of obtaining, rewarding and retaining key personnel. To this end, the Plan provides for the grant of Awards of stock options, stock appreciation rights, restricted stock, unrestricted stock, stock units (including deferred stock units), dividend equivalent rights, other equity-based awards and cash bonus awards. Any of these awards may, but need not, be made as performance incentives to reward attainment of annual or long-term performance goals in accordance with the terms hereof. Stock options granted under the Plan may be non-qualified stock options or incentive stock options, as provided herein.

**2. DEFINITIONS**

For purposes of interpreting the Plan and related documents (including Award Agreements), the following definitions shall apply:

2.1 “**2015 Plan Reserve Amount**” shall have the meaning set forth in **Section 4.1**.

2.2 “**Affiliate**” means, with respect to the Company, any company or other trade or business that controls, is controlled by, or is under common control with, the Company within the meaning of Rule 405 of Regulation C under the Securities Act, including, without limitation, any Subsidiary. For purposes of grants of Options or Stock Appreciation Rights, an entity may not be considered an Affiliate of the Company unless the Company holds a “controlling interest” in such entity, where the term “controlling interest” has the same meaning as provided in Treasury Regulation Section 1.414(c)-2(b)(2)(i), provided that the language “at least 50 percent” is used instead of “at least 80 percent” and, provided further, that where granting of Options or Stock Appreciation Rights is based upon a legitimate business criteria, the language “at least 20 percent” is used instead of “at least 80 percent” each place it appears in Treasury Regulation Section 1.414(c)-2(b)(2)(i).

2.3 “**Annual Incentive Award**” means an Award, denominated in cash, made subject to attainment of performance goals (as described in **Section 14**) over a Performance Period of up to one (1) year (the Company’s fiscal year, unless otherwise specified by the Board).

2.4 “**Applicable Laws**” means the legal requirements relating to the Plan and the Awards under (a) applicable provisions of the Code, the Securities Act, the Exchange Act, any rules or regulations thereunder, and any other laws, rules, regulations, and government orders of any jurisdiction applicable to the Company or its Affiliates, (b) applicable provisions of the corporate, securities, tax and other laws, rules, regulations and government orders of any jurisdiction applicable to Awards granted to residents thereof, and (c) the rules of any Stock Exchange or Securities Market on which the Stock is listed or publicly traded.



2.5 “**Award**” means a grant of an Option, Stock Appreciation Right, Restricted Stock, Unrestricted Stock, Stock Units, Dividend Equivalent Right, Performance Award, Annual Incentive Award, or Other Equity-Based Award under the Plan.

2.6 “**Award Agreement**” means the written agreement, in such written, electronic, or other form as determined by the Committee, between the Company and a Grantee that evidences and sets forth the terms and conditions of an Award.

2.7 “**Benefit Arrangement**” shall have the meaning set forth in **Section 15**.

2.8 “**Board**” means the Board of Directors of the Company.

2.9 “**Capital Stock**” shall mean, with respect to any Person, any and all shares, interests, participations, or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Effective Date or issued thereafter, including, without limitation, all shares of Stock.

2.10 “**Cause**” shall have the meaning set forth in an applicable agreement between a Grantee and the Company or an Affiliate, and in the absence of such agreement, shall mean, with respect to any Grantee and as determined by the Board, (i) gross negligence or willful misconduct in connection with the performance of duties; (ii) conviction of, or pleading guilty or *nolo contendere* to, a criminal offense (other than minor traffic offenses); (iii) a material violation of a Company policy; or (iv) a material breach of any term of any employment, consulting, or other services, confidentiality, intellectual property, or non-competition agreements, if any, between the such Grantee and the Company or an Affiliate. Any determination by the Committee regarding whether an event constituting Cause shall have occurred shall be final, binding, and conclusive.

2.11 “**Change in Control**” shall mean, subject to **Section 18.9**, the occurrence of any of the following:

(a) A transaction or a series of related transactions whereby any person (as defined in Sections 13(d) and 14(d)(2) of the Exchange Act) or Group (other than the Company or any Affiliate) becomes the Beneficial Owner of more than fifty percent (50%) of the total voting power of the Voting Stock of the Company, on a Fully Diluted Basis;

(b) Individuals who, as of the Effective Date, constitute the Board (the “**Incumbent Board**”) (together with any new directors whose election by such Incumbent Board or whose nomination by such Incumbent Board for election by the stockholders of the Company was approved by a vote of at least a majority of the members of such Incumbent Board then in office who either were members of such Incumbent Board or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the members of such Board then in office;

(c) The Company consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company (regardless of whether the Company is the surviving Person), other than any such transaction in which the Prior Stockholders own directly or indirectly at least a majority of the voting power of the Voting Stock of the surviving Person in such reorganization, merger, or consolidation transaction immediately after such transaction;

(d) The consummation of any direct or indirect sale, lease, transfer, conveyance, or other disposition (other than by way of reorganization, merger, or consolidation), in one transaction or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any person (as defined in Sections 13(d) and 14(d)(2) of the Exchange Act) or Group (other than the Company or any Affiliate); or

(e) The stockholders of the Company adopt a plan or proposal for the liquidation, winding up, or dissolution of the Company.

The Board shall have full and final authority, in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control, and any incidental matters relating thereto.

2.12 “**Code**” means the Internal Revenue Code of 1986, as amended, as now in effect or as hereafter amended, and any successor thereto. References in the Plan to any Code Section shall be deemed to include, as applicable, regulations and guidance promulgated under such Code Section.

2.13 “**Committee**” means a committee of, and designated from time to time by resolution of, the Board, which shall be constituted as provided in **Section 3.2** (or, if no Committee has been designated, the Board itself).

2.14 “**Company**” means Syndax Pharmaceuticals, Inc., a Delaware corporation, and any successor thereto.

2.15 “**Covered Employee**” means a Grantee who is a covered employee within the meaning of Code Section 162(m)(3).

2.16 “**Determination Date**” means the Grant Date or such other date as of which the Fair Market Value of a share of Stock is required to be established for purposes of the Plan.

2.17 “**Disability**” means the inability of the Grantee to perform each of the essential duties of such Grantee’s position by reason of a medically determinable physical or mental impairment which is potentially permanent in character or which can be expected to last for a continuous period of not less than 12 months; provided, however, that, with respect to rules regarding expiration of an Incentive Stock Option following termination of the Grantee’s Service, Disability shall mean the inability of the Grantee to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

2.18 “**Dividend Equivalent Right**” means a right, granted to a Grantee under **Section 13**, to receive, or to receive credits for the future payment of, cash, Stock, other Awards or other property equal in value to dividend payments or distributions or other periodic payments, declared or paid with respect to a specified number of shares of Stock, as if such shares of Stock had been issued to and held by the Grantee of such Dividend Equivalent Right as of the record date.

2.19 “**Effective Date**” means the date of the closing of the Initial Public Offering.

2.20 “**Exchange Act**” means the Securities Exchange Act of 1934, as now in effect or as hereafter amended.

2.21 “**Fair Market Value**” means the fair market value of a share of Stock for purposes of the Plan, which shall be determined as of any Determination Date as follows:

(a) If on such Determination Date the shares of Stock are listed on a Stock Exchange, or are publicly traded on another Securities Market, the Fair Market Value of a share of Stock shall be the closing price of the Stock as reported on such Stock Exchange or such Securities Market (provided that, if there is more than one such Stock Exchange or Securities Market, the Committee shall designate the appropriate Stock Exchange or Securities Market for purposes of the Fair Market Value determination). If there is no such reported closing price on such Determination Date, the Fair Market Value of a share of Stock shall be the closing price of the Stock on the next preceding day on which any sale of Stock shall have been reported on such Stock Exchange or such Securities Market.

(b) If on such Determination Date the shares of Stock are not listed on a Stock Exchange or publicly traded on a Securities Market, the Fair Market Value of a share of Stock shall be the value of the Stock as determined by the Committee by the reasonable application of a reasonable valuation method, in a manner consistent with Code Section 409A.

Notwithstanding this **Section 2.20** or **Section 18.3**, for purposes of determining taxable income and the amount of the related tax withholding obligation pursuant to **Section 18.3**, the Fair Market Value will be determined by the Committee in good faith using any reasonable method as it deems appropriate, to be applied consistently with respect to Grantees; provided, further, that the Committee shall determine the Fair Market Value of shares of Stock for tax withholding obligations due in connection with sales, by or on behalf of a Grantee, of such shares of Stock subject to an Award to pay the Option Price, SAR Exercise Price, and/or any tax withholding obligation on the same date on which such shares may first be sold pursuant to the terms of the applicable Award Agreement (including broker-assisted cashless exercises of Options and Stock Appreciation Rights, as described in **Section 12.3**, and sell-to-cover transactions) in any manner consistent with applicable provisions of the Code, including but not limited to using the sale price of such shares on such date (or if sales of such shares are effectuated at more than one sale price, the weighted average sale price of such shares on such date) as the Fair Market Value of such shares, so long as such Grantee has provided to the Company, or its designee or agent, with advance written notice of such sale.

2.22 “**Family Member**” shall mean, with respect to any Grantee as of any date of determination, (a) a person who is a spouse, former spouse, child, stepchild, grandchild, parent, stepparent, grandparent, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother, sister, brother-in-law, or sister-in-law, including adoptive relationships, of the Grantee, (b) any person sharing the Grantee’s household (other than a tenant or employee), (c) a trust in which any one or more of the persons specified in clauses (a) and (b) above (and such Grantee) own more than fifty percent (50%) of the beneficial interest, (d) a foundation in which any one or more of the persons specified in clauses (a) and (b) above and (and such Grantee) control the management of assets, and (e) any other entity in which one or more of the persons specified in clauses (a) and (b) above and (and such Grantee) own more than fifty percent (50%) of the voting interests.

2.23 “**Fully Diluted Basis**” shall mean, as of any date of determination, the sum of (x) the number of shares of Voting Stock outstanding as of such date of determination plus (y) the number of shares of Voting Stock issuable upon the exercise, conversion, or exchange of all then-outstanding warrants, options, convertible Capital Stock or indebtedness, exchangeable Capital Stock or indebtedness, or other rights exercisable for or convertible or exchangeable into, directly or indirectly, shares of Voting Stock, whether at the time of issue or upon the passage of time or upon the occurrence of some future event, and whether or not in-the-money as of such date of determination.

2.24 “**Grant Date**” means, as determined by the Board, the latest to occur of (i) the date as of which the Board approves the Award, (ii) the date on which the recipient of an Award first becomes eligible to receive an Award under **Section 6**, or (iii) such subsequent date as may be specified by the Board in a corporate action approving the Award.

2.25 “**Grantee**” means a person who receives or holds an Award under the Plan.

2.26 “**Group**” shall have the meaning set forth in Sections 13(d) and 14(d)(2) of the Exchange Act.

2.27 “**Incentive Stock Option**” means an “incentive stock option” within the meaning of Code Section 422.

2.28 “**Initial Public Offering**” or “**IPO**” means the initial firm commitment underwritten registered public offering by the Company of the Stock.

2.29 “**Non-Employee Director**” shall have the meaning set forth in Rule 16b-3 under the Exchange Act.

2.30 “**Non-qualified Stock Option**” means an Option that is not an Incentive Stock Option.

2.31 “**Option**” means an option to purchase one or more shares of Stock at a specified Option Price awarded to a Grantee pursuant to **Section 8**.

2.32 “**Option Price**” means the per share exercise price for shares of Stock subject to an Option.

2.33 “**Other Agreement**” shall have the meaning set forth in **Section 15**.

2.34 “**Outside Director**” means a member of the Board who is not an officer or employee of the Company.

2.35 “**Other Equity-Based Award**” means an Award representing a right or other interest that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock, other than an Option, Stock Appreciation Right, Restricted Stock, a Stock Unit, Unrestricted Stock, a Dividend Equivalent Right, or a Performance Award, or Annual Incentive Award.

2.36 “**Parachute Payment**” shall have the meaning set forth in **Section 15**.

2.37 “**Performance Award**” means an Award made subject to the attainment of performance goals (as described in **Section 14**) over a Performance Period of up to ten (10) years.

2.38 “**Performance-Based Compensation**” shall mean compensation under an Award that is intended to satisfy the requirements of Code Section 162(m) for Qualified Performance-Based Compensation paid to Covered Employees. Notwithstanding the foregoing, nothing in the Plan shall be construed to mean that an Award which does not satisfy the requirements for Qualified Performance-Based Compensation does not constitute performance-based compensation for other purposes, including the purposes of Code Section 409A.

2.39 “**Performance Measures**” means measures as specified in **Section 14** on which the performance goal or goals are based and which are approved by the Company’s stockholders pursuant to, and to the extent required by, this Plan in order to qualify Performance or Annual Incentive Awards as Performance-Based Compensation.

2.40 “**Performance Period**” means the period of time, up to ten (10) years, during which the performance goals must be met in order to determine the degree of payout and/or vesting with respect to a Performance or Annual Incentive Award.

2.41 “**Plan**” means this Syndax Pharmaceuticals, Inc. 2015 Omnibus Incentive Plan, as amended from time to time.

2.42 “**Prior Plan**” means the Syndax Pharmaceuticals, Inc. 2007 Stock Plan.

2.43 “**Purchase Price**” means the purchase price for each share of Stock pursuant to a grant of Restricted Stock, Stock Units or Unrestricted Stock.

2.44 “**Qualified Performance-Based Compensation**” shall have the meaning set forth in Code Section 162(m).

2.45 “**Restricted Stock**” means shares of Stock awarded to a Grantee pursuant to **Section 10**.

2.46 “**SAR Exercise Price**” means the per share exercise price of a SAR.

2.47 “**Securities Act**” means the Securities Act of 1933, as now in effect or as hereafter amended.

2.48 “**Securities Market**” shall mean an established securities market.

2.49 “**Separation from Service**” shall have the meaning set forth in Code Section 409A.

2.50 “**Service**” means service qualifying a Grantee as a Service Provider to the Company or any Affiliate. Unless otherwise provided in the applicable Award Agreement, a Grantee’s change in position or duties shall not result in interrupted or terminated Service, so long as such Grantee continues to be a Service Provider to the Company or any Affiliate. Subject to the preceding sentence, any determination by the Board whether a termination of Service shall have occurred for purposes of the Plan shall be final, binding, and conclusive. If a Service Provider’s employment or other Service relationship is with an Affiliate of the Company and the applicable entity ceases to be an Affiliate of the Company, a termination of Service shall be deemed to have occurred when such entity ceases to be an Affiliate unless the Service Provider transfers his or her employment or other Service relationship to the Company or any of its other Affiliates.

2.51 “**Service Provider**” shall mean (a) an Employee or director of the Company or an Affiliate, or (b) a consultant or adviser to the Company or an Affiliate (i) who is a natural person, (ii) who is currently providing bona fide services to the Company or an Affiliate, and (iii) whose services are not in connection with the Company’s sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company’s Capital Stock.

2.52 “**Service Recipient Stock**” shall have the meaning set forth in Code Section 409A.

2.53 “**Stock**” means the common stock, par value \$0.0001 per share, of the Company, or any security into which shares of Stock may be changed or for which shares of Stock may be exchanged as provided in **Section 17.1**.

2.54 “**Stock Appreciation Right**” or “**SAR**” means a right awarded to a Grantee under **Section 9**.

2.55 “**Stock Exchange**” means the NASDAQ Stock Market LLC, any successor thereto, or another established national or regional stock exchange.

2.56 “**Stock Unit**” means a bookkeeping entry representing the equivalent of one share of Stock awarded to a Grantee pursuant to **Section 10** that may be settled, subject to the terms and conditions of the applicable Award Agreement, in shares of Stock, cash, or a combination thereof.

2.57 “**Subsidiary**” shall mean any corporation (other than the Company) or non-corporate entity with respect to which the Company owns, directly or indirectly, fifty percent (50%) or more of the total combined voting power of all classes of Voting Stock. In addition, any other entity may be designated by the Committee as a Subsidiary, provided that (a) such entity could be considered as a subsidiary according to generally accepted accounting principles in the United States of America and (b) in the case of an Award of Options or Stock Appreciation Rights, such Award would be considered to be granted in respect of Service Recipient Stock under Code Section 409A.

2.58 “**Substitute Award**” means an Award granted upon assumption of, or in substitution for, outstanding awards previously granted by a company or other entity acquired by the Company or an Affiliate or with which the Company or an Affiliate combines.

2.59 “**Ten Percent Stockholder**” means an individual who owns more than ten percent (10%) of the total combined voting power of all classes of outstanding Voting Stock of the Company, its parent (if any), or any of its Subsidiaries. In determining stock ownership, the attribution rules of Code Section 424(d) shall be applied.

2.60 “**Unrestricted Stock**” shall mean Stock that is free of any restrictions.

2.61 “**Voting Stock**” shall mean, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers, or other voting members of the governing body of such Person.

### **3. ADMINISTRATION OF THE PLAN**

#### **3.1. Board.**

The Board shall have such powers and authorities related to the administration of the Plan as are consistent with the Company’s certificate of incorporation and by-laws and Applicable Laws. The Board shall have full power and authority to take all actions and to make all determinations required or provided for under the Plan, any Award, or any Award Agreement and shall have full power and authority to take all such other actions and to make all such other determinations not inconsistent with the specific terms and provisions of the Plan that the Board deems to be necessary or appropriate to the administration of the Plan, any Award, or any Award Agreement. All such actions and determinations shall be made by the affirmative vote of a majority of the members of the Board present at a meeting at which a quorum is present or by unanimous consent of the members of the Board executed in writing or evidenced by electronic transmission in accordance with the Company’s certificate of incorporation and by-laws and Applicable Laws. The Board shall have the authority to interpret and construe all provisions of the Plan, any Award, and any Award Agreement, and any such interpretation and construction, and any other determination contemplated to be made under the Plan, any Award, or any Award Agreement, by the Board shall be final, binding, and conclusive on all persons, whether or not expressly provided for in any provision of the Plan, such Award, or such Award Agreement.

### **3.2. Committee.**

The Board from time to time may delegate to the Committee such powers and authorities related to the administration and implementation of the Plan, as set forth in **Section 3.1** above and other applicable provisions, as the Board shall determine, consistent with the Company's certificate of incorporation and by-laws and Applicable Laws.

(i) Except as provided in Subsection (ii) and except as the Board may otherwise determine, the Committee, if any, appointed by the Board to administer the Plan shall consist of two or more Outside Directors of the Company who: (a) qualify as "outside directors" within the meaning of Section 162(m) of the Code, (b) meet such other requirements as may be established from time to time by the Securities and Exchange Commission for plans intended to qualify for exemption under Rule 16b-3 (or its successor) under the Exchange Act, and (c) comply with the independence requirements of the Stock Exchange or Securities Market on which the shares of Stock are listed or publicly traded.

(ii) The Board may also appoint one or more separate committees of the Board, each composed of one or more directors of the Company who need not be Outside Directors, who may administer the Plan with respect to employees or other Service Providers who are not executive officers (as defined under Rule 3b-7 or the Exchange Act) or directors of the Company, may grant Awards under the Plan to such employees or other Service Providers, and may determine all terms of such Awards, subject to the requirements of Code Section 162(m), Rule 16b-3, and the rules of the Stock Exchange or Securities Market on which the shares of Stock are listed or publicly traded.

In the event that the Plan, any Award, or any Award Agreement entered into hereunder provides for any action to be taken by or determination to be made by the Board, such action may be taken or such determination may be made by a Committee if the power and authority to do so has been delegated (and such delegated authority has not been revoked) to such Committee by the Board as provided for in this Section. Unless otherwise expressly determined by the Board, any such action or determination by the Committee shall be final, binding, and conclusive. To the extent permitted by Applicable Laws, the Committee may delegate its authority under the Plan to a member of the Board, provided, that such member of the Board to whom the Committee delegates authority under the Plan must be an Outside Director who satisfies the requirements of Subsection (i)(a)-(c) of this **Section 3.2**.

### **3.3. Terms of Awards.**

Subject to the other terms and conditions of the Plan, the Board shall have full and final authority to:

- (i) designate Grantees;
- (ii) determine the type or types of Awards to be made to a Grantee;
- (iii) determine the number of shares of Stock to be subject to an Award or to which an Award relates;

(iv) establish the terms and conditions of each Award (including, but not limited to, the Option Price, SAR Exercise Price, the Purchase Price, the nature and duration of any restriction or condition (or provision for lapse thereof) relating to the vesting, exercise, transfer, or forfeiture of an Award or the shares of Stock subject thereto, the treatment of an Award in the event of a Change in Control (subject to applicable agreements); and any terms or conditions that may be necessary to qualify Options as Incentive Stock Options);

(v) prescribe the form of each Award Agreement evidencing an Award;

(vi) subject to the limitations on repricing in **Section 3.5**, amend, modify or supplement the terms of any outstanding Award. Such authority specifically includes the authority, in order to effectuate the purposes of the Plan but without amending the Plan, to make or modify outstanding Awards made to eligible individuals who are foreign nationals or are individuals who are employed outside the United States to recognize differences in local law, tax policy, or custom. Notwithstanding the foregoing, no amendment, modification, or supplement of the terms of any outstanding Award shall, without the consent of the Grantee thereof, impair the Grantee's rights under such Award; and

(vii) make Substitute Awards.

### **3.4. Forfeiture; Recoupment.**

The Board may reserve the right in an Award Agreement to cause a forfeiture of the gain realized by a Grantee with respect to an Award thereunder on account of actions taken by, or failed to be taken by, such Grantee in violation or breach of, or in conflict with, any (a) employment agreement, (b) non-competition agreement, (c) agreement prohibiting solicitation of employees or clients of the Company or any Affiliate, (d) confidentiality obligation with respect to the Company or any Affiliate, or (e) Company or Affiliate policy or procedure, (f) other agreement, or (g) other obligation of such Grantee to the Company or an Affiliate, as and to the extent specified in such Award Agreement. If the Grantee of an outstanding Award is an employee of the Company or any Affiliate and such Grantee's Service is terminated for Cause, the Committee may annul such Grantee's outstanding Award as of the date of the Grantee's termination of Service for Cause.

Any Award granted pursuant to the Plan shall be subject to mandatory repayment by the Grantee to the Company (x) to the extent set forth in this Plan or an Award Agreement or (y) to the extent the Grantee is, or in the future becomes, subject to (i) any Company "clawback" or recoupment policy that is adopted to comply with the requirements of any Applicable Laws or (ii) any Applicable Laws which impose mandatory recoupment, under circumstances set forth in such Applicable Laws.

Furthermore, if the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the federal securities laws, and any Award Agreement so provides, any Grantee of an Award under such Award Agreement who knowingly engaged in such misconduct, was grossly negligent in engaging in such misconduct, knowingly failed to prevent such misconduct, or was grossly negligent in failing to prevent such misconduct, shall reimburse the Company the amount of any payment in settlement of an Award earned or accrued during the 12-month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document that contained information affected by such material noncompliance.

Notwithstanding any other provision of the Plan or any provision of any Award Agreement, if the Company is required to prepare an accounting restatement, then a Grantee shall forfeit any cash or shares of Stock received in connection with an Award (or an amount equal to the Fair Market Value of such shares of Stock on the date of delivery if the Grantee no longer holds the shares of Stock) if pursuant to the terms of the Award Agreement for such Award, the amount of the Award earned or the vesting in the Award was explicitly based on the achievement of pre-established performance goals set forth in the Award Agreement (including earnings, gains, or other performance goals) that are later determined, as a result of the accounting restatement, not to have been achieved.



### **3.5. No Repricing Without Stockholder Approval.**

Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, distribution (whether in the form of cash, shares of Stock, other securities, or other property), stock split, extraordinary dividend, recapitalization, Change in Control, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares of Stock, or other securities or similar transaction), the Company may not: (a) amend the terms of outstanding Options or SARs to reduce the Option Price or SAR Exercise Price, as applicable, of such outstanding Options or SARs; (b) cancel outstanding Options or SARs in exchange for or substitution of Options or SARs with an Option Price or SAR Exercise Price, as applicable, that is less than the Option Price or SAR Exercise Price of the original Options or SARs; or (c) cancel outstanding Options or SARs with an Option Price or SAR Exercise Price, as applicable, above the current per share Fair Market Value in exchange for cash or other securities, in each case unless such action (i) is subject to and approved by the Company's stockholders or (ii) would not be deemed to be a repricing under the rules of any Stock Exchange or Securities Market on which the Stock is listed or publicly traded.

### **3.6. Deferral Arrangement.**

The Board may permit or require the deferral of any payment pursuant to an Award into a deferred compensation arrangement, subject to such rules and procedures as it may establish, which may include provisions for the payment or crediting of interest or Dividend Equivalent Rights and, in connection therewith, provisions for converting such credits into deferred Stock Units and for restricting deferrals to comply with hardship distribution rules affecting tax-qualified retirement plans subject to Code Section 401(k)(2)(B)(IV); provided that no Dividend Equivalent Rights may be granted in connection with, or related to, an Award of Options or SARs. Any such deferrals shall be made in a manner that complies with Code Section 409A, including, if applicable, with respect to when a Separation from Service occurs.

### **3.7. Limitation on Liability.**

No member of the Board or the Committee shall be liable for any action or determination made in good faith with respect to the Plan, any Award, or any Award Agreement. Notwithstanding any provision of the Plan to the contrary, neither the Company, any of its Affiliates, the Board, the Committee, nor any person acting on behalf of the Company, any of its Affiliates, the Board, or the Committee will be liable to any Grantee or to the estate or beneficiary of any Grantee or to any other holder of an Award under the Plan by reason of any acceleration of income, or any additional tax (including any interest and penalties), asserted by reason of the failure of an Award to satisfy the requirements of Code Section 422 or Code Section 409A or by reason of Code Section 4999, or otherwise asserted with respect to the Award; provided, that this **Section 3.7** shall not affect any of the rights or obligations set forth in an applicable agreement between the Grantee and the Company or any of its Affiliates.

### **3.8. Stock Issuance/Book-Entry.**

Notwithstanding any provision of this Plan to the contrary, the issuance of the shares of Stock under the Plan may be evidenced in such a manner as the Board, in its discretion, deems appropriate, including by book-entry or direct registration (including transaction advices) or the issuance of one or more share certificates.

## 4. STOCK SUBJECT TO THE PLAN

### 4.1. Number of Shares of Stock Available for Awards.

Subject to the other provisions of this **Section 4** and subject to adjustment as provided under **Section 17.1**, the maximum number of shares of Stock that shall be authorized for issuance for Awards under the Plan shall be equal to the sum of (i) [ ] shares of Stock, plus (ii) the number of shares of Stock remaining available for future awards under the Prior Plan as of the Effective Date, plus (iii) the number of shares of Stock related to awards outstanding under the Prior Plan as of the Effective Date which thereafter terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such shares (“**2015 Plan Reserve Amount**”). In addition, commencing on January 1, 2017 and continuing until the expiration of the Plan, the 2015 Plan Reserve Amount shall automatically increase in an amount equal to the lesser of (i) four percent (4%) of the total number of shares of Outstanding Company Stock on December 31st of the preceding calendar year and (ii) the number of shares of Stock (which may be zero) designated by action of the Board prior to the first day of any calendar year. Such shares of Stock may be authorized and unissued shares of Stock or treasury shares of Stock or any combination of the foregoing, as may be determined from time to time by the Board or by the Committee. Any of the shares of Stock reserved and available for issuance under the Plan may be used for any type of Award under the Plan, and [ ] shares of Stock reserved for issuance under the Plan shall be available for issuance pursuant to Incentive Stock Options.

### 4.2. Adjustments in Authorized Shares of Stock.

The Board shall have the right to substitute or assume awards in connection with mergers, reorganizations, separations, or other transactions to which Code Section 424(a) applies. The number of shares of Stock reserved pursuant to **Section 4.1** shall be increased by the corresponding number of awards assumed and, in the case of a substitution, by the net increase in the number of shares of Stock subject to awards before and after the substitution. Shares available for issuance under a stockholder-approved plan of a business entity that is party to such transaction (as appropriately adjusted, if necessary, to reflect the transaction) may be used for Awards under the Plan and shall not reduce the number of shares of Stock otherwise available for issuance under the Plan, subject to applicable rules of any Stock Exchange or Securities Market on which the Stock is listed or publicly traded.

### 4.3. Share Usage.

Shares of Stock covered by an Award shall be counted as used as of the Grant Date for purposes of calculating the number of shares of Stock available for issuance under **Section 4.1**. Any shares of Stock that are subject to Awards, including shares of Stock acquired through dividend reinvestment pursuant to **Section 10**, will be counted against the limit set forth in **Section 4.1** as one (1) share of Stock for every one (1) share of Stock subject to an Award. With respect to SARs, the number of shares of Stock subject to an award of SARs will be counted against the aggregate number of shares of Stock available for issuance under the Plan regardless of the number of shares of Stock actually issued to settle the SAR upon exercise. The target number of shares issuable under a Performance Award grant shall be counted against the limit set forth in **Section 4.1** as of the Grant Date, but such number shall be adjusted to equal the actual number of shares issued upon settlement of the Performance Award to the extent different from such target number of shares. If any shares of Stock covered by an Award granted under the Plan are not purchased or are forfeited or expire, or if an Award otherwise terminates without delivery of any shares of Stock subject thereto or is settled in cash in lieu of shares of Stock, then the number of shares of Stock counted against the aggregate number of shares of Stock available under the Plan with respect to such Award shall, to the extent of any such forfeiture, termination, expiration, or settlement, again be available for making Awards under the Plan in the same amount as such shares of Stock were counted against the limit set forth in **Section 4.1**.

The number of shares of Stock available for issuance under the Plan will not be increased by the number of shares of Stock (i) tendered, withheld, or subject to an Award granted under the Plan surrendered in connection with the purchase of shares of Stock upon exercise of an Option, (ii) that were not issued upon the net settlement or net exercise of a Stock-settled SAR granted under the Plan, (iii) deducted or delivered from payment of an Award granted under the Plan in connection with the Company's tax withholding obligations as provided in **Section 18.3**, or (iv) purchased by the Company with proceeds from Option exercises.

## **5. EFFECTIVE DATE, DURATION AND AMENDMENTS**

### **5.1. Effective Date.**

The Plan shall be effective as of the Effective Date. Following the Effective Date, no awards shall be made under the Prior Plan.

### **5.2. Term.**

The Plan shall terminate on the first to occur of (a) the tenth (10<sup>th</sup>) anniversary of the Effective Date, (b) the date determined in accordance with **Section 5.3**, and (c) the date determined in accordance with **Section 17.3**; provided, however, that Incentive Stock Options may not be granted under the Plan after the tenth (10<sup>th</sup>) anniversary of the date of the Board's adoption of the Plan. Upon such termination of the Plan, all outstanding Awards shall continue to have full force and effect in accordance with the provisions of the terminated Plan and the applicable Award Agreement (or other documents evidencing such Awards).

### **5.3. Amendment, Suspension and Termination of the Plan.**

The Board may, at any time and from time to time, amend, suspend, or terminate the Plan; provided that, with respect to Awards theretofore granted under the Plan, no amendment, suspension, or termination of the Plan shall, without the consent of the Grantee, impair rights or obligations under any such Award theretofore awarded under the Plan. The effectiveness of any amendment to the Plan shall be contingent on approval of such amendment by the Company's stockholders to the extent stated by the Board, required by Applicable Laws, or required by the Stock Exchange or Securities Market on which the shares of Stock are listed or publicly traded.

## **6. AWARD ELIGIBILITY AND LIMITATIONS**

### **6.1. Service Providers and Other Persons.**

Subject to this **Section 6**, Awards may be made under the Plan to: (i) any Service Provider, as the Board shall determine and designate from time to time and (ii) any other individual whose participation in the Plan is determined to be in the best interests of the Company by the Board.

### **6.2. Limitation on Shares of Stock Subject to Awards and Cash Awards.**

During any time when the Company has a class of equity securities registered under **Section 12** of the Exchange Act:

(i) the maximum number of shares of Stock subject to Options or SARs that can be granted under the Plan to any person eligible for an Award under **Section 6** is [                    ] in a calendar year;

(ii) the maximum number of shares of Stock that can be granted under the Plan, other than pursuant to an Option or SARs, to any person eligible for an Award under **Section 6** is [            ] in a calendar year; and

(iii) the maximum amount that may be paid as a cash-denominated Annual Incentive Award (whether or not cash-settled) for a Performance Period of twelve (12) months or less to any person eligible for an Award shall be \$1,000,000, and the maximum amount that may be paid as a cash-denominated Performance Award (whether or not cash-settled) in respect of a Performance Period greater than twelve (12) months to any person eligible for an Award shall be \$3,000,000.

The preceding limitations in this **Section 6.2** are subject to adjustment as provided in **Section 17.1**.

### **6.3. Stand-Alone, Additional, Tandem, and Substitute Awards.**

Subject to **Section 3.5**, Awards granted under the Plan may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution or exchange for, any other Award or any award granted under another plan of the Company, any Affiliate, or any business entity to be acquired by the Company or an Affiliate, or any other right of a Grantee to receive payment from the Company or any Affiliate. Such additional, tandem, exchange, or Substitute Awards may be granted at any time. If an Award is granted in substitution or exchange for another Award, or for an award granted under another plan of the Company, an Affiliate, or any business entity that has been a party to a transaction with the Company or an Affiliate, the Board shall require the surrender of such other Award or award under such other plan in consideration for the grant of the such exchange or Substitute Award. In addition, Awards may be granted in lieu of cash compensation, including in lieu of cash amounts payable under other plans of the Company or any Affiliate. Notwithstanding **Section 8.1** and **Section 9.1**, but subject to **Section 3.5**, the Option Price of an Option or the SAR Exercise Price of an SAR that is a Substitute Award may be less than one hundred percent (100%) of the Fair Market Value of a share of Stock on the original Grant Date; provided, that, the Option Price or SAR Exercise Price is determined in accordance with the principles of Code Section 424 for any Incentive Stock Option and consistent with Code Section 409A for any other Option or SAR.

## **7. AWARD AGREEMENT**

Each Award granted pursuant to the Plan shall be evidenced by an Award Agreement, in such form or forms as the Board shall from time to time determine. Award Agreements utilized under the Plan from time to time or at the same time need not contain similar provisions but shall be consistent with the terms of the Plan. Each Award Agreement evidencing an Award of Options shall specify whether such Options are intended to be Non-qualified Stock Options or Incentive Stock Options, and, in the absence of such specification, such options shall be deemed Non-qualified Stock Options. In the event of any inconsistency between the Plan and an Award Agreement, the provisions of the Plan shall control.

## **8. TERMS AND CONDITIONS OF OPTIONS**

### **8.1. Option Price.**

The Option Price of each Option shall be fixed by the Board and stated in the Award Agreement evidencing such Option. Except in the case of Substitute Awards, the Option Price of each Option shall be at least the Fair Market Value of one (1) share of Stock on the Grant Date; provided, however, that in the event that a Grantee is a Ten Percent Stockholder, the Option Price of an Option granted to such Grantee that is intended to be an Incentive Stock Option shall be not less than one hundred ten percent (110%) of the Fair Market Value of one (1) share of Stock on the Grant Date. In no case shall the Option Price of any Option be less than the par value of one (1) share of Stock.

## **8.2. Vesting and Exercisability.**

Subject to **Sections 8.3 and 17.3**, each Option granted under the Plan shall become vested and/or exercisable at such times and under such conditions as shall be determined by the Board and stated in the Award Agreement, in another agreement with the Grantee, or otherwise in writing; provided that no Option shall be granted to Grantees who are entitled to overtime under Applicable Laws that will vest or be exercisable within a six (6)-month period starting on the Grant Date.

## **8.3. Term.**

Each Option granted under the Plan shall terminate, and all rights to purchase shares of Stock thereunder shall cease, upon the expiration of ten (10) years from the Grant Date of such Option, or under such circumstances and on such date prior thereto as is set forth in the Plan or as may be fixed by the Board and stated in the Award Agreement relating to such Option; provided, that in the event that the Grantee is a Ten Percent Stockholder, an Option granted to such Grantee that is intended to be an Incentive Stock Option shall not be exercisable after the expiration of five (5) years from its Grant Date; and provided, further, that, to the extent deemed necessary or appropriate by the Board to reflect differences in local law, tax policy, or custom with respect to any Option granted to a Grantee who is a foreign national or is a natural Person who is employed outside the United States, such Option may terminate, and all rights to purchase shares of Stock thereunder may cease, upon the expiration of a period longer than ten (10) years from the Grant Date of such Option as the Board shall determine.

## **8.4. Termination of Service.**

Each Award Agreement with respect to the grant of an Option shall set forth the extent to which the Grantee thereof, if at all, shall have the right to exercise such Option following termination of such Grantee's Service. Such provisions shall be determined in the sole discretion of the Board, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination of Service.

## **8.5. Limitations on Exercise of Option.**

Notwithstanding any other provision of the Plan, in no event may any Option be exercised, in whole or in part, after the occurrence of an event referred to in **Section 17** which results in the termination of the Option.

## **8.6. Method of Exercise.**

Subject to the terms of **Section 12** and **Section 18.3**, an Option that is exercisable may be exercised by the Grantee's delivery to the Company or its designee or agent of notice of exercise on any business day, at the Company's principal office, or the office of such designee or agent, on the form specified by the Company and in accordance with any additional procedures specified by the Board. Such notice shall specify the number of shares of Stock with respect to which the Option is being exercised and shall be accompanied by payment in full of the Option Price of the shares of Stock for which the Option is being exercised plus the amount (if any) of federal and/or other taxes which the Company may, in its judgment, be required to withhold with respect to the exercise of such Option.

### **8.7. Rights of Holders of Options.**

Unless otherwise stated in the applicable Award Agreement, a Grantee or other person holding or exercising an Option shall have none of the rights of a stockholder of the Company (for example, the right to receive cash or dividend payments or distributions attributable to the subject shares of Stock or to direct the voting of the subject shares of Stock subject to such Option, or to receive notice of any meeting of the Company's stockholders) until the shares of Stock subject thereto are fully paid and issued to such Grantee or other person. Except as provided in **Section 17**, no adjustment shall be made for dividends, distributions or other rights with respect to any shares of Stock subject to an Option for which the record date is prior to the date of issuance of such shares of Stock.

### **8.8. Delivery of Stock Certificates.**

Promptly after the exercise of an Option by a Grantee and the payment in full of the Option Price, such Grantee shall be entitled to the issuance of a stock certificate or certificates evidencing his or her ownership of the shares of Stock subject to the Option, as shall be consistent with **Section 3.8**.

### **8.9. Transferability of Options.**

Except as provided in **Section 8.10**, during the lifetime of a Grantee of an Option, only the Grantee (or, in the event of such Grantee's legal incapacity or incompetency, the Grantee's guardian or legal representative) may exercise such Option. Except as provided in **Section 8.10**, no Option shall be assignable or transferable by the Grantee to whom it is granted, other than by will or the laws of descent and distribution.

### **8.10. Family Transfers.**

If authorized in the applicable Award Agreement and by the Board, in its sole discretion, a Grantee may transfer, not for value, all or part of an Option which is not an Incentive Stock Option to any Family Member. For the purpose of this **Section 8.10**, a "not for value" transfer is a transfer which is (i) a gift, (ii) a transfer under a domestic relations order in settlement of marital property rights; or (iii) unless Applicable Laws do not permit such transfer, a transfer to an entity in which more than fifty percent (50%) of the voting interests are owned by Family Members (or the Grantee) in exchange for an interest in that entity. Following a transfer under this **Section 8.10**, any such Option shall continue to be subject to the same terms and conditions as were applicable immediately prior to such transfer. Subsequent transfers of transferred Options are prohibited except to Family Members of the original Grantee in accordance with this **Section 8.10** or by will or the laws of descent and distribution. The events of termination of Service of **Section 8.4** shall continue to be applied with respect to the original Grantee, following which such Option shall be exercisable by the transferee only to the extent, and for the periods specified, in **Section 8.4**.

### **8.11. Limitations on Incentive Stock Options.**

An Option shall constitute an Incentive Stock Option only (i) if the Grantee of such Option is an employee of the Company or any Subsidiary of the Company; (ii) to the extent specifically provided in the related Award Agreement; and (iii) to the extent that the aggregate Fair Market Value (determined at the time the Option is granted) of the shares of Stock with respect to which all Incentive Stock Options held by such Grantee become exercisable for the first time during any calendar year (under the Plan and all other plans of the Grantee's employer and its Affiliates) does not exceed one hundred thousand dollars (\$100,000). Except to the extent provided in the regulations under Code Section 422, this limitation shall be applied by taking Options into account in the order in which they were granted.

### **8.12. Notice of Disqualifying Disposition.**

If any Grantee shall make any disposition of shares of Stock issued pursuant to the exercise of an Incentive Stock Option under the circumstances described in Code Section 421(b) (relating to certain disqualifying dispositions), such Grantee shall notify the Company of such disposition immediately but in no event later than ten (10) days thereafter.

## **9. TERMS AND CONDITIONS OF STOCK APPRECIATION RIGHTS**

### **9.1. Right to Payment and SAR Exercise Price.**

A SAR shall confer on the Grantee to whom it is granted a right to receive, upon exercise thereof, the excess of (A) the Fair Market Value of one (1) share of Stock on the date of exercise over (B) the SAR Exercise Price as determined by the Board. The Award Agreement for a SAR shall specify the SAR Exercise Price, which shall be no less than the Fair Market Value of one (1) share of Stock on the Grant Date. SARs may be granted in conjunction with all or part of an Option granted under the Plan or at any subsequent time during the term of such Option, in conjunction with all or any part of any other Award or without regard to any Option or other Award; provided that a SAR that is granted in tandem with all or part of an Option will have the same term, and expire at the same time, as the related Option; provided, further, that a SAR that is granted subsequent to the Grant Date of a related Option must have a SAR Exercise Price that is no less than the Fair Market Value of one share of Stock on the SAR Grant Date.

### **9.2. Other Terms.**

The Board shall determine on the Grant Date or thereafter, the time or times at which and the circumstances under which a SAR may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the time or times at which SARs shall cease to be or become exercisable following termination of Service or upon other conditions, the method of exercise, method of settlement, form of consideration payable in settlement, method by or forms in which shares of Stock will be delivered or deemed to be delivered to Grantees, whether or not a SAR shall be granted in tandem or in combination with any other Award; and any and all other terms and conditions of any SAR; provided that no SARs shall be granted to Grantees who are entitled to overtime under Applicable Laws that will vest or be exercisable within a six (6)-month period starting on the Grant Date.

### **9.3. Term.**

Each SAR granted under the Plan shall terminate, and all rights thereunder shall cease, upon the expiration of ten (10) years from the Grant Date of such SAR, or under such circumstances and on such date prior thereto as is set forth in the Plan or as may be fixed by the Board and stated in the Award Agreement relating to such SAR.

### **9.4. Rights of Holders of SARs.**

Unless otherwise stated in the applicable Award Agreement, a Grantee or other Person holding or exercising a SAR shall have none of the rights of a stockholder of the Company (for example, the right to receive cash or dividend payments or distributions attributable to the shares of Stock underlying such SAR, to direct the voting of the shares of Stock underlying such SAR, or to receive notice of any meeting of the Company's stockholders) until the shares of Stock underlying such SAR, if any, are issued to such Grantee or other Person. Except as provided in **Section 17**, no adjustment shall be made for dividends, distributions, or other rights with respect to any shares of Stock underlying a SAR for which the record date is prior to the date of issuance of such shares of Stock, if any.

### **9.5. Transferability of SARs.**

Except as provided in **Section 9.6**, during the lifetime of a Grantee of a SAR, only the Grantee (or, in the event of such Grantee's legal incapacity or incompetency, such Grantee's guardian or legal representative) may exercise such SAR. Except as provided in **Section 9.6**, no SAR shall be assignable or transferable by the Grantee to whom it is granted, other than by will or the laws of descent and distribution.

### **9.6. Family Transfers.**

If authorized in the applicable Award Agreement and by the Board, in its sole discretion, a Grantee may transfer, not for value, all or part of a SAR to any Family Member. For the purpose of this **Section 9.6**, a "not for value" transfer is a transfer which is (i) a gift, (ii) a transfer under a domestic relations order in settlement of marital property rights; or (iii) unless Applicable Laws do not permit such transfers, a transfer to an entity in which more than fifty percent (50%) of the voting interests are owned by Family Members (and/or the Grantee) in exchange for an interest in that entity. Following a transfer under this **Section 9.6**, any such SAR shall continue to be subject to the same terms and conditions as were applicable immediately prior to such transfer. Subsequent transfers of transferred SARs are prohibited except to Family Members of the original Grantee in accordance with this **Section 9.6** or by will or the laws of descent and distribution.

## **10. TERMS AND CONDITIONS OF RESTRICTED STOCK AND STOCK UNITS**

### **10.1. Grant of Restricted Stock or Stock Units.**

Awards of Restricted Stock or Stock Units may be made for consideration or for no consideration, other than the par value of the shares of Stock which is deemed paid by past Service, or if so provided in the related Award Agreement or separate agreement, the promise to perform future Service to the Company or an Affiliate.

### **10.2. Restrictions.**

At the time a grant of Restricted Stock or Stock Units is made, the Board may, in its sole discretion, establish a period of time (a "restricted period") applicable to such Restricted Stock or Stock Units. Each Award of Restricted Stock or Stock Units may be subject to a different restricted period. The Board may in its sole discretion, at the time a grant of Restricted Stock or Stock Units is made, prescribe restrictions in addition to or other than the expiration of the restricted period, including the achievement of corporate or individual performance objectives, which may be applicable to all or any portion of the Restricted Stock or Stock Units as described in **Section 14**. Neither Restricted Stock nor Stock Units may be sold, transferred, assigned, pledged or otherwise encumbered or disposed of during the restricted period or prior to the satisfaction of any other restrictions prescribed by the Board with respect to such Restricted Stock or Stock Units.

### **10.3. Restricted Stock Certificates.**

Pursuant to **Section 3.8**, to the extent that ownership of Restricted Stock is evidenced by a book-entry registration or direct registration (including transaction advices), such registration shall be notated to evidence the restrictions imposed on such Award of Restricted Stock under the Plan and the applicable Award Agreement. Subject to **Section 3.8**, and the immediately following sentence, the Company may issue, in the name of each Grantee to whom Restricted Stock has been granted, certificates representing the



total number of shares of Restricted Stock granted to the Grantee, as soon as reasonably practicable after the Grant Date of such Restricted Stock. The Board may provide in an Award Agreement with respect to an Award of Restricted Stock that either (i) the Secretary of the Company shall hold such certificates for the Grantee's benefit until such time as the shares of Restricted Stock are forfeited to the Company or the restrictions applicable thereto lapse and such Grantee shall deliver a stock power to the Company with respect to each certificate, or (ii) such certificates shall be delivered to such Grantee, provided, that such certificates shall bear a legend or legends that comply with the applicable securities laws and regulations and makes appropriate reference to the restrictions imposed on such Award of Restricted Stock under the Plan and such Award Agreement.

#### **10.4. Rights of Holders of Restricted Stock.**

Unless the Board otherwise provides in an Award Agreement, holders of Restricted Stock shall have the right to vote such shares of Stock and the right to receive any dividend payments or distributions declared or paid with respect to such shares of Restricted Stock. The Board may provide in an Award Agreement evidencing a grant of Restricted Stock that that (a) any cash dividend payments or distributions paid on Restricted Stock must be reinvested in shares of Stock, which may or may not be subject to the same vesting conditions and restrictions as applicable to such underlying shares of Restricted Stock or (b) any dividend payments or distributions declared or paid on shares of Restricted Stock shall only be made or paid upon satisfaction of the vesting conditions and restrictions applicable to such shares of Restricted Stock. Dividend payments or distributions declared or paid on shares of Restricted Stock which vest or are earned based upon the achievement of performance goals shall not vest unless such performance goals for such shares of Restricted Stock are achieved, and if such performance goals are not achieved, the Grantee of such shares of Restricted Stock shall promptly forfeit and, to the extent already paid or distributed, repay to the Company such dividend payments or distributions. All stock dividend payments or distributions, if any received by a Grantee with respect to shares of Restricted Stock as a result of any stock split, stock dividend, combination of stock, or other similar transaction shall be subject to the same vesting conditions and restrictions as applicable to such underlying shares of Restricted Stock.

#### **10.5. Rights of Holders of Stock Units.**

##### **10.5.1. Voting and Dividend Rights.**

Holders of Stock Units shall have no rights as stockholders of the Company. The Board may provide in an Award Agreement evidencing a grant of Stock Units that the holder of such Stock Units shall be entitled to receive, upon the Company's payment of a cash dividend on its outstanding shares of Stock, a cash payment for each Stock Unit held equal to the per-stock dividend paid on the shares of Stock. Such Award Agreement may also provide that such cash payment will be deemed reinvested in additional Stock Units at a price per unit equal to the Fair Market Value of a share of Stock on the date on which such dividend is paid.

##### **10.5.2. Creditor's Rights.**

A holder of Stock Units shall have no rights other than those of a general unsecured creditor of the Company. Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Award Agreement.

#### **10.6. Termination of Service.**

Unless the Board otherwise provides in an Award Agreement, in another agreement with the Grantee, or otherwise in writing after such Award Agreement is issued, but prior to the termination of a Grantee's Service, upon the termination of such Grantee's Service, any Restricted Stock or Stock Units held by such Grantee that have not vested, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited. Upon forfeiture of Restricted Stock or Stock Units, the Grantee shall have no further rights with respect to such Award, including but not limited to any right to vote Restricted Stock or any right to receive dividends or Dividend Equivalent Rights, as applicable, with respect to Restricted Stock or Stock Units.

#### **10.7. Purchase of Restricted Stock and Shares of Stock Subject to Stock Units.**

The Grantee of an Award of Restricted Stock or vested Stock Units shall be required, to the extent required by Applicable Laws, to purchase such Restricted Stock or shares of Stock subject to such vested Stock Units from the Company at a Purchase Price equal to the greater of (i) the aggregate par value of the shares of Stock represented by such Restricted Stock or such vested Stock Units or (ii) the Purchase Price, if any, specified in the Award Agreement relating to such Restricted Stock or such vested Stock Units. The Purchase Price shall be payable in a form described in **Section 12** or, in the discretion of the Board, in consideration for past or future Service rendered or to be rendered by the Grantee to the Company or an Affiliate.

#### **10.8. Delivery of Shares of Stock.**

Upon the expiration or termination of any restricted period and the satisfaction of any other conditions prescribed by the Board, the restrictions applicable to Restricted Stock or Stock Units settled in shares of Stock shall lapse, and, unless otherwise provided in the Award Agreement, a book-entry or direct registration (including transaction advices) or a certificate evidencing ownership of such shares of Stock shall, consistent with **Section 3.8**, be issued, free of all such restrictions, to the Grantee thereof or the Grantee's beneficiary or estate, as the case may be. Neither the Grantee, nor the Grantee's beneficiary or estate, shall have any further rights with regard to a Stock Unit once the shares of Stock represented by such Stock Unit have been delivered in accordance with this **Section 10.8**.

### **11. TERMS AND CONDITIONS OF UNRESTRICTED STOCK AWARDS AND OTHER EQUITY-BASED AWARDS**

#### **11.1. Unrestricted Stock Awards.**

The Board may, in its sole discretion, grant (or sell at par value or at such other higher purchase price determined by the Board) an Unrestricted Stock Award to any Grantee pursuant to which such Grantee may receive shares of Unrestricted Stock under the Plan. Unrestricted Stock Awards may be granted or sold as described in the preceding sentence in respect of Service rendered or, if so provided in the related Award Agreement or a separate agreement, to be rendered by the Grantee to the Company or an Affiliate or other valid consideration, in lieu of, or in addition to, any cash compensation due to such Grantee.

#### **11.2. Other Equity-Based Awards.**

The Board may, in its sole discretion, grant Awards to Participants in the form of Other Equity-Based Awards, as deemed by the Board to be consistent with the purposes of the Plan. Awards granted pursuant to this **Section 11.2** may be granted with vesting, value and/or payment contingent upon the attainment of one or more performance goals. The Board shall determine the terms and conditions of such Other Equity-Based Awards on the Grant Date or thereafter. Unless the Board otherwise provides in an Award Agreement, in another agreement with the Grantee, or otherwise or in writing after the Award Agreement is issued, upon the termination of a Grantee's Service, any Other Equity-Based Awards held

by such Grantee that have not vested, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited. Upon forfeiture of Other Equity-Based Awards, the Grantee shall have no further rights with respect to such Award.

## **12. FORM OF PAYMENT FOR OPTIONS AND RESTRICTED STOCK**

### **12.1. General Rule.**

Payment of the Option Price for the shares of Stock purchased pursuant to the exercise of an Option or the Purchase Price, if any, for Restricted Stock shall be made in cash or in cash equivalents acceptable to the Company.

### **12.2. Surrender of Shares of Stock.**

To the extent the Award Agreement so provides, payment of the Option Price for shares of Stock purchased pursuant to the exercise of an Option or the Purchase Price for Restricted Stock may be made all or in part through the tender or attestation to the Company of shares of Stock, which shall be valued, for purposes of determining the extent to which the Option Price or Purchase Price has been paid thereby, at their Fair Market Value on the date of such tender or attestation.

### **12.3. Cashless Exercise.**

With respect to an Option only (and not with respect to Restricted Stock), to the extent permitted by law and to the extent the Award Agreement so provides, payment of the Option Price for shares of Stock purchased pursuant to the exercise of an Option may be made all or in part by delivery (on a form acceptable to the Board) of an irrevocable direction to a licensed securities broker acceptable to the Company to sell shares of Stock and to deliver all or part of the sales proceeds to the Company in payment of the Option Price and any withholding taxes described in **Section 18.3**, or, with the consent of the Company, by issuing the number of shares of Stock equal in value to the difference between the Option Price and the Fair Market Value of the shares of Stock subject to the portion of the Option being exercised.

### **12.4. Other Forms of Payment.**

To the extent the Award Agreement so provides and/or unless otherwise specified in an Award Agreement, payment of the Option Price for shares of Stock purchased pursuant to exercise of an Option or the Purchase Price, if any, for Restricted Stock may be made in any other form that is consistent with Applicable Laws, regulations and rules, including, without limitation, Service by the Grantee thereof to the Company or an Affiliate.

## **13. TERMS AND CONDITIONS OF DIVIDEND EQUIVALENT RIGHTS**

### **13.1. Dividend Equivalent Rights.**

A Dividend Equivalent Right is an Award entitling the recipient to receive credits based on cash distributions that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other award to which it relates) if such shares of Stock had been issued to and held by the recipient. A Dividend Equivalent Right may be granted hereunder to any Grantee, *provided* that no Dividend Equivalent Rights may be granted in connection with, or related to, an Award of Options or SARs. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Agreement therefor. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently (with or

without being subject to forfeiture or a repayment obligation) or may be deemed to be reinvested in additional shares of Stock or Awards, which may thereafter accrue additional Dividend Equivalent Rights (with or without being subject to forfeiture or a repayment obligation). Any such reinvestment shall be at the Fair Market Value on the date of reinvestment. Dividend Equivalent Rights may be settled in cash or shares of Stock or a combination thereof, in a single installment or multiple installments, all determined in the sole discretion of the Board. A Dividend Equivalent Right granted as a component of another Award may provide that such Dividend Equivalent Right shall be settled upon exercise, settlement, or payment of, or lapse of restrictions on, such other award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other award. A Dividend Equivalent Right granted as a component of another Award may also contain terms and conditions different from such other Award; provided, however, that Dividend Equivalent Rights credited pursuant to a Dividend Equivalent Right granted as a component of another Award which vests or is earned based upon the achievement of performance goals shall not vest unless the performance goals for such underlying Award are achieved, and if such performance goals are not achieved, the Grantee of such Dividend Equivalent Rights shall promptly forfeit and, to the extent already paid or distributed, repay to the Company payments or distributions made in connection with such Dividend Equivalent Rights.

### **13.2. Termination of Service.**

Unless the Board otherwise provides in an Award Agreement, in another agreement with the Grantee, or otherwise or in writing after the Award Agreement is issued, a Grantee's rights in all Dividend Equivalent Rights shall automatically terminate upon such Grantee's termination of Service for any reason.

## **14. TERMS AND CONDITIONS OF PERFORMANCE AWARDS AND ANNUAL INCENTIVE AWARDS**

### **14.1. Grant of Performance Awards and Annual Incentive Awards.**

Subject to the terms and provisions of the Plan, the Board, at any time and from time to time, may grant Performance and/or Annual Incentive Awards to a Plan participant in such amounts and upon such terms as the Committee shall determine.

### **14.2. Value of Performance Awards and Annual Incentive Awards.**

Each Performance Award and Annual Incentive Award shall have an initial cash value or an actual or target number of shares of Stock that is established by the Board as of the Grant Date. The Board shall set performance goals in its discretion which, depending on the extent to which they are achieved, shall determine the value and/or number of shares of Stock subject to Performance Awards that will be paid out to the Grantee thereof.

### **14.3. Earning of Performance Awards and Annual Incentive Awards.**

Subject to the terms of the Plan, after the applicable Performance Period has ended, the Grantee of Performance Awards or Annual Incentive Awards shall be entitled to receive a payout of the value earned under such Performance Awards or Annual Incentive Awards earned by such Grantee over such Performance Period.

#### **14.4. Form and Timing of Payment of Performance Awards and Annual Incentive Awards.**

Payment of the value earned under Performance Awards and Annual Incentive Awards shall be made, as determined by the Committee, in the form, at the time, and in the manner described in the applicable Award Agreement. Subject to the terms of the Plan, the Committee, in its sole discretion, (i) may pay the value earned under Performance Awards in the form of cash, shares of Stock, or other Awards, or in a combination thereof, including shares of Stock and/or Awards, including shares of Stock and/or Awards that are subject to any restrictions deemed appropriate by the Committee, and (ii) shall pay the value earned under Performance Awards at the close of the applicable Performance Period, or as soon as reasonably practicable after the Committee has determined that the performance goal or goals relating thereto have been achieved; provided that, unless specifically provided in the Award Agreement, such payment shall occur no later than the fifteenth (15<sup>th</sup>) day of the third (3<sup>rd</sup>) month following the end of the calendar year in which such Performance Period ends.

#### **14.5. Performance Conditions.**

The right of a Grantee to exercise or to receive a grant or settlement of any Performance or Annual Incentive Award, and the timing thereof, may be subject to such performance conditions as may be specified by the Board. The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions. If and to the extent required under Code Section 162(m), any power or authority relating to an Award intended to qualify under Code Section 162(m), shall be exercised by the Committee and not by the Board.

#### **14.6. Performance Awards or Annual Incentive Awards Granted to Designated Covered Employees.**

If and to the extent that the Board determines that a Performance or Annual Incentive Award to be granted to a Grantee should constitute Qualified Performance-Based Compensation for purposes of Code Section 162(m), the grant, exercise and/or settlement of such Performance or Annual Incentive Award shall be contingent upon achievement of pre-established performance goals and other terms set forth in this **Section 14.6**.

##### **14.6.1. Performance Goals Generally.**

The performance goals for Performance or Annual Incentive Awards shall consist of one or more business criteria and a targeted level or levels of performance with respect to each of such criteria, as specified by the Committee consistent with this **Section 14.6**. Performance goals shall be objective and shall otherwise meet the requirements of Code Section 162(m) and regulations thereunder including the requirement that the level or levels of performance targeted by the Committee result in the achievement of performance goals being "substantially uncertain." The Committee may determine that such Awards shall be granted, exercised and/or settled upon achievement of any single performance goal or of two (2) or more performance goals. Performance goals may differ for Awards granted to any one Grantee or to different Grantees.

##### **14.6.2. Timing For Establishing Performance Goals.**

Performance goals for Performance or Annual Incentive Awards shall be established not later than the earlier of (i) ninety (90) days after the beginning of any performance period applicable to such Awards and (ii) the day on which twenty-five percent (25%) of any performance period applicable to such Awards has expired, or at such other date as may be required or permitted for compensation payable to a Covered Employee to constitute Performance-Based Compensation.

### **14.6.3. Payment of Awards; Other Terms.**

Payment of such Awards shall be in cash, shares of Stock, other Awards, or a combination thereof, including shares of Stock and/or Awards that are subject to any restrictions deemed appropriate by the Committee, in each case as determined in the sole discretion of the Committee. The Committee may, in its sole discretion, reduce the amount of a payment otherwise to be made in connection with such Awards. The Committee shall specify the circumstances in which such Performance or Annual Incentive Awards shall be paid or forfeited in the event of termination of Service by the Grantee prior to the end of a Performance Period or settlement of such Performance or Annual Incentive Awards. In the event payment of the Performance-Based Award is made in the form of another Award subject to Service-based vesting, the Committee shall specify the circumstances in which the payment Award will be paid or forfeited in the event of a termination of Service.

### **14.6.4. Performance Measures.**

The performance goals upon which the payment or vesting of a Performance or Annual Incentive Award to a Covered Employee that is intended to qualify as Performance-Based Compensation may be conditioned shall be limited to the following Performance Measures, with or without adjustment (including pro forma adjustments):

- (a) net earnings or net income;
- (b) operating earnings;
- (c) pretax earnings;
- (d) earnings per share of stock;
- (e) stock price, including growth measures and total stockholder return;
- (f) earnings before interest and taxes;
- (g) earnings before interest, taxes, depreciation and/or amortization;
- (h) earnings before interest, taxes, depreciation and/or amortization as adjusted to exclude any one or more of the following:
  - stock-based compensation expense;
  - income from discontinued operations;
  - gain on cancellation of debt;
  - debt extinguishment and related costs;
  - restructuring, separation, and/or integration charges and costs;
  - reorganization and/or recapitalization charges and costs;
  - impairment charges;

- merger-related events;
  - gain or loss related to investments;
  - sales and use tax settlements; and
  - gain on non-monetary transactions;
- (i) sales or revenue growth, whether in general, by type of product or service, or by type of customer;
- (j) gross or operating margins;
- (k) return measures, including return on assets, capital, investment, equity, sales or revenue;
- (l) cash flow, including operating cash flow, free cash flow, cash flow return on equity and cash flow return on investment;
- (m) productivity ratios;
- (n) expense targets;
- (o) market share;
- (p) financial ratios as provided in credit agreements of the Company and its subsidiaries;
- (q) working capital targets;
- (r) completion of acquisitions of business or companies;
- (s) completion of divestitures and asset sales;
- (t) revenues under management;
- (u) funds from operations;
- (v) successful implementation of clinical trials, including components thereof;
- (w) submitting regulatory filings;
- (x) obtaining regulatory or marketing approvals;
- (y) entering into contractual agreements;
- (z) meeting contractual requirements;
- (aa) achieving contractual milestones;
- (bb) entering into collaborations;
- (cc) receipt of grant funding;

(dd) developing or expanding manufacturing or production capacity; and

(ee) any combination of any of the foregoing business criteria.

Performance under any of the foregoing Performance Measure(s) may be used to measure the performance of the Company, Subsidiary, and/or Affiliate as a whole or any business unit or operating segment of the Company, Subsidiary, and/or Affiliate or any combination thereof, as the Committee may deem appropriate, and any of the above Performance Measures may be compared to the performance of a group of comparator companies, or published or special index that the Committee, in its sole discretion, deems appropriate. In addition, the Company, in its sole discretion may select performance under the Performance Measure specified in clause (e) above for comparison to performance under one or more stock market indices. The Committee also has the authority to provide for accelerated vesting of any Performance or Annual Incentive Award based on the achievement of performance goals pursuant to the Performance Measures specified in this **Section 14**.

#### **14.6.5. Evaluation of Performance.**

The Committee may provide in any such Award that any evaluation of performance may include or exclude any of the following events that occur during a Performance Period: (a) asset write-downs; (b) litigation or claims, judgments or settlements; (c) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results; (d) any reorganization or restructuring events or programs; (e) extraordinary non-core, non-operating, or non-recurring items; (f) acquisitions or divestitures; (g) foreign exchange gains and losses; (h) impact of shares of Stock purchased through share repurchase programs; (i) tax valuation allowance reversals; (j) impairment expense; and (k) environmental expense. To the extent such inclusions or exclusions affect Awards to Covered Employees that are intended to qualify as Performance-Based Compensation, such inclusions or exclusions shall be prescribed in a form that meets the requirements of Code Section 162(m) for deductibility.

#### **14.6.6. Adjustment of Performance-Based Compensation.**

The Committee shall have the sole discretion to adjust Awards that are intended to qualify as Performance-Based Compensation, either on a formula or discretionary basis, or on any combination thereof, as the Committee determines consistent with the requirements of Code Section 162(m) for deductibility.

#### **14.6.7. Board Discretion.**

In the event that Applicable Laws change to permit Committee discretion to alter the governing Performance Measures without obtaining stockholder approval of such changes, the Board shall have sole discretion to make such changes without obtaining stockholder approval provided that the exercise of such discretion shall not be inconsistent with the requirements of Code Sections 162(m). In addition, in the event that the Committee determines that it is advisable to grant Awards that shall not qualify as Performance-Based Compensation, the Board may make such grants without satisfying the requirements of Code Section 162(m) and base vesting on Performance Measures other than those set forth in **Section 14.6.4**.

#### **14.7. Status of Awards Under Code Section 162(m).**

It is the intent of the Company that Performance or Annual Incentive Awards under **Section 14.6** granted to Grantees who are designated by the Committee as likely to be Covered Employees shall, if so designated by the Committee, constitute Qualified Performance-Based Compensation. Accordingly, the



terms of **Section 14.6**, including the definitions of Covered Employee and other terms used therein, shall be interpreted in a manner consistent with Code Section 162(m). If any provision of the Plan, the applicable Award Agreement, or any other agreement relating to such Performance or Annual Incentive Awards does not comply or is inconsistent with the requirements of Code Section 162(m), such provision shall be construed or deemed amended to the extent necessary to conform to such requirements.

## 15. PARACHUTE LIMITATIONS

If the Grantee is a “disqualified individual,” as defined in Code Section 280G(c), then, notwithstanding any other provision of this Plan or of any other agreement, contract, or understanding heretofore or hereafter entered into by a Grantee with the Company or an Affiliate, except an agreement, contract, or understanding that expressly addresses Code Section 280G or Code Section 4999 (an “**Other Agreement**”), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to the Grantee (including groups or classes of Grantees or beneficiaries of which the Grantee is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for the Grantee (a “**Benefit Arrangement**”), any right to exercise, vesting, payment, or benefit to the Grantee under this Plan shall be reduced or eliminated:

(i) to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for the Grantee under the Plan, all Other Agreements, and all Benefit Arrangements, would cause any exercise, vesting, payment, or benefit to the Grantee under this Plan to be considered a “parachute payment” within the meaning of Code Section 280G(b)(2) as then in effect (a “**Parachute Payment**”); and

(ii) if, as a result of receiving such Parachute Payment, the aggregate after-tax amounts received by the Grantee from the Company under this Plan, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that could be received by the Grantee without causing any such exercise, vesting, payment or benefit to be considered a Parachute Payment.

Except as required by Code Section 409A or to the extent that Code Section 409A permits discretion, the Committee shall have the right, in the Committee’s sole discretion, to designate those rights, payments, or benefits under this Plan, all Other Agreements, and all Benefit Arrangements that should be reduced or eliminated so as to avoid having such rights, payments, or benefits be considered a Parachute Payment; provided, however, to the extent any payment or benefit constitutes deferred compensation under Code Section 409A, in order to comply with Code Section 409A, the Company shall instead accomplish such reduction by first reducing or eliminating any cash payments (with the payments to be made furthest in the future being reduced first), then by reducing or eliminating any accelerated vesting of Performance Awards, then by reducing or eliminating any accelerated vesting of Options or SARs, then by reducing or eliminating any accelerated vesting of Restricted Stock or Stock Units, then by reducing or eliminating any other remaining Parachute Payments.

## 16. REQUIREMENTS OF LAW

### 16.1. General.

The Company shall not be required to offer, sell or issue any shares of Stock under any Award, whether pursuant to the exercise of an Option, a SAR, or otherwise, if the offer, sale or issuance of such shares of Stock would constitute a violation by the Grantee, any other individual or entity, or the Company or an Affiliate of any provision of the Company’s certificate of incorporation or bylaws or of Applicable Laws, including without limitation any federal or state securities laws or regulations. If at any time the

Company shall determine, in its discretion, that the listing, registration, or qualification of any shares of Stock subject to an Award upon any Stock Exchange or Securities Market or under any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the offering, sale issuance or purchase of shares of Stock in connection with any Award, no shares of Stock may be offered, issued or sold to the Grantee or any other individual or entity pursuant to the exercise of such Award unless such listing, registration or qualification shall have been effected or obtained free of any conditions not acceptable to the Company, and any delay caused thereby shall in no way affect the date of termination of the Award. Without limiting the generality of the foregoing, upon the exercise of any Option or any SAR that may be settled in shares of Stock or the delivery of any shares of Stock underlying an Award, unless a registration statement under the Securities Act is in effect with respect to the shares of Stock subject to such Award, the Company shall not be required to offer, sell or issue such shares of Stock unless the Board has received evidence satisfactory to it that the Grantee or any other individual or entity exercising Option or SAR or accepting delivery of such shares may acquire such shares of Stock pursuant to an exemption from registration under the Securities Act. Any determination by the Board in connection with the foregoing shall be final, binding, and conclusive. The Company may register, but shall in no event be obligated to register, any shares of Stock or other securities issuable pursuant to the Plan pursuant to the Securities Act. The Company shall not be obligated to take any affirmative action in order to cause the exercise of an Option or a SAR or the issuance of shares of Stock or other securities pursuant to the Plan to comply with any Applicable Laws. As to any jurisdiction that expressly imposes the requirement that an Option (or SAR that may be settled in shares of Stock) shall not be exercisable until the shares of Stock covered by such Option (or SAR) are registered under the securities laws thereof or are exempt from registration, the exercise of such Option (or SAR) under circumstances in which the laws of such jurisdiction apply shall be deemed conditioned upon the effectiveness of such registration or the availability of such an exemption.

#### **16.2. Rule 16b-3.**

During any time when the Company has a class of equity securities registered under Section 12 of the Exchange Act, it is the intent of the Company that Awards pursuant to the Plan and the exercise of Options and SARs granted hereunder that would otherwise be subject to Section 16(b) of the Exchange Act will qualify for the exemption provided by Rule 16b-3 under the Exchange Act. To the extent that any provision of the Plan or action by the Board does not comply with the requirements of Rule 16b-3, such provision or action shall be deemed inoperative with respect to such Awards to the extent permitted by Applicable Laws and deemed advisable by the Board, and shall not affect the validity of the Plan. In the event that Rule 16b-3 is revised or replaced, the Board may exercise its discretion to modify this Plan in any respect necessary or advisable in its judgment to satisfy the requirements of, or to permit the Company to avail itself of the benefits of, the revised exemption or its replacement.

### **17. EFFECT OF CHANGES IN CAPITALIZATION**

#### **17.1. Changes in Stock.**

If the number of outstanding shares of Stock is increased or decreased or the shares of Stock are changed into or exchanged for a different number of shares or kind of Capital Stock or other securities of the Company on account of any recapitalization, reclassification, stock split, reverse stock split, spin-off, combination of stock, exchange of stock, stock dividend or other distribution payable in capital stock, or other increase or decrease in shares of stock effected without receipt of consideration by the Company occurring after the Effective Date, the number and kinds of shares of Capital Stock for which grants of Options and other Awards may be made under the Plan, including, without limitation, the 2015 Plan Reserve Amount and the limits set forth in **Section 6.2**, shall be adjusted proportionately and accordingly by the Board. In addition, the number and kind of shares of Capital Stock for which Awards are outstanding shall be adjusted proportionately and accordingly by the Committee so that the proportionate interest of the

Grantee therein immediately following such event shall, to the extent practicable, be the same as immediately before such event. Any such adjustment in outstanding Options or SARs shall not change the aggregate Option Price or SAR Exercise Price payable with respect to shares that are subject to the unexercised portion of such outstanding Options or SARs, as applicable, but shall include a corresponding proportionate adjustment in the per share Option Price or SAR Exercise Price, as the case may be. The conversion or exercise of any convertible securities of the Company shall not be treated as an increase in shares effected without receipt of consideration. Notwithstanding the foregoing, in the event of any distribution to the Company's stockholders of securities of any other entity or other assets (including an extraordinary dividend but excluding a non-extraordinary dividend of the Company) without receipt of consideration by the Company, the Board shall, in such manner as it deems appropriate, adjust (i) the number and kind of shares of Capital Stock subject to outstanding Awards and/or (ii) the aggregate and per share Option Price of outstanding Options and the aggregate and per share SAR Exercise Price of outstanding SARs as required to reflect such distribution.

**17.2. Reorganization in Which the Company Is the Surviving Entity Which Does not Constitute a Change in Control.**

Subject to **Section 17.3**, if the Company shall be the surviving entity in any reorganization, merger, or consolidation of the Company with one or more other entities which does not constitute a Change in Control, any Award theretofore granted pursuant to the Plan shall pertain to and apply to the Capital Stock to which a holder of the number of shares of Stock subject to such Award would have been entitled immediately following such reorganization, merger, or consolidation, with a corresponding proportionate adjustment of the per share Option Price or per share SAR Exercise Price of any outstanding Option or SAR so that the aggregate Option Price or SAR Exercise Price thereafter shall be the same as the aggregate Option Price or SAR Exercise Price of the shares of Stock remaining subject to the Option or SAR as in effect immediately prior to such reorganization, merger, or consolidation. Subject to any contrary language in an Award Agreement, in another agreement with the Grantee, or otherwise set forth in writing, any restrictions applicable to such Award shall apply as well to any replacement shares of Capital Stock subject to such Award, or received by the Grantee as a result of such reorganization, merger, or consolidation. In the event of any reorganization, merger, or consolidation of the Company described in this **Section 17.2**, Awards subject to performance criteria may be adjusted (including any adjustments to the Performance Measures or other performance criteria applicable to such Awards deemed appropriate by the Board) to take into account such reorganization, merger, or consolidation.

**17.3. Change in Control in which Awards are not Assumed.**

Except as otherwise provided in the applicable Award Agreement, in another agreement with the Grantee, or as otherwise set forth in writing, upon the occurrence of a Change in Control in which outstanding Awards are not being assumed or continued, the following provisions shall apply to such Award, to the extent not assumed or continued:

(i) Immediately prior to the occurrence of such Change in Control, in each case with the exception of any Performance Award, all outstanding shares of Restricted Stock and all Stock Units and Dividend Equivalent Rights shall be deemed to have vested, and the shares of Stock and/or cash subject to such Awards shall be delivered; and

(ii) Either of the following two actions shall be taken:

(A) At least fifteen (15) days prior to the scheduled consummation of the Change in Control, all Options and SARs outstanding hereunder shall become immediately exercisable and shall remain exercisable for a period of fifteen (15) days. With respect to the Company's establishment of an

exercise window, any exercise of an Option or SAR during such fifteen (15)-day period shall be conditioned upon the consummation of the Change in Control and shall be effective only immediately before the consummation of the Change in Control, and upon consummation of the Change in Control, the Plan and all outstanding but unexercised Options and SARs shall terminate, with or without consideration (including, without limitation, consideration in accordance with clause (ii) below) as determined by the Board in its sole discretion. The Board shall send notice of an event that will result in such a termination to all Grantees who hold Options and SARs not later than the time at which the Company gives notice thereof to its stockholders.

and/or

(B) the Board may elect, in its sole discretion, to cancel any outstanding Awards of Options, SARs, Restricted Stock, Stock Units, and/or Dividend Equivalent Rights and pay or deliver, or cause to be paid or delivered, to the holder thereof an amount in cash or securities having a value (as determined by the Board acting in good faith), in the case of Restricted Stock, Stock Units, and Dividend Equivalent Rights (for shares of Stock subject thereto) equal to the formula or fixed price per share paid to holders of shares of Stock pursuant to such Change in Control and, in the case of Options or SARs, equal to the product of the number of shares of Stock subject to the Options or SARs multiplied by the amount, if any, by which (I) the formula or fixed price per share paid to holders of shares of Stock pursuant to such transaction exceeds (II) the Option Price or SAR Exercise Price applicable to such Options or SARs.

(iii) For Performance Awards denominated in Stock or Stock Units, if less than half of the Performance Period has lapsed, the Awards shall be converted into Restricted Stock or Stock Units assuming target performance has been achieved (or Unrestricted Stock if no further restrictions apply). If more than half the Performance Period has lapsed, the Performance Awards shall be converted into Restricted Stock or Stock Units based on actual performance to date (or Unrestricted Stock if no further restrictions apply). If actual performance is not determinable, then Performance Awards shall be converted into Restricted Stock or Stock Units assuming target performance has been achieved, based on the discretion of the Committee (or Unrestricted Stock if no further restrictions apply).

(iv) Other Equity-Based Awards shall be governed by the terms of the applicable Award Agreement.

#### **17.4. Change in Control in which Awards are Assumed.**

Except as otherwise provided in the applicable Award Agreement, in another agreement with the Grantee, or as otherwise set forth in writing, upon the occurrence of a Change in Control in which outstanding Awards are being assumed or continued, the following provisions shall apply to such Award, to the extent assumed or continued:

The Plan and the Options, SARs, Restricted Stock, Stock Units, Dividend Equivalent Rights, and Other Equity-Based Awards theretofore granted under the Plan shall continue in the manner and under the terms so provided in the event of any Change in Control to the extent that provision is made in writing in connection with such Change in Control for the assumption or continuation of the Options, SARs, Restricted Stock, Stock Units, Dividend Equivalent Rights, and Other Equity-Based Awards theretofore granted, or for the substitution for such Options, SARs, Restricted Stock, Stock Units, Dividend Equivalent Rights, and Other Equity-Based Awards theretofore granted for new stock options, stock appreciation rights, restricted stock, stock units, dividend equivalent rights, and other equity-based awards relating to the capital stock or other securities of a successor entity, or a parent or subsidiary thereof, with appropriate adjustments as to the number of shares (disregarding any consideration that is not common stock) and exercise prices of options and stock appreciation rights.

## **17.5. Adjustments**

Adjustments under this **Section 17** related to shares of Stock or Capital Stock of the Company shall be made by the Board, whose determination in that respect shall be final, binding, and conclusive. No fractional shares or other securities shall be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole share. The Board may provide in an applicable Award Agreement as of the Grant Date, in another agreement with the Grantee, or otherwise in writing at any time thereafter with the consent of the Grantee, for different provisions to apply to an Award in place of those described in **Sections 17.1, 17.2, 17.3 and 17.4**. This **Section 17** does not limit the Company's ability to provide for alternative treatment of Awards outstanding under the Plan in the event of a change in control event involving the Company that is not a Change in Control.

## **17.6. No Limitations on Company.**

The making of Awards pursuant to the Plan shall not affect or limit in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure or to merge, consolidate, dissolve, or liquidate, or to sell or transfer all or any part of its business or assets (including all or any part of the business or assets of any Subsidiary or other Affiliate) or to engage in any other transaction or activity.

## **18. GENERAL PROVISIONS**

### **18.1. Disclaimer of Rights.**

No provision in the Plan or in any Award or Award Agreement shall be construed to confer upon any individual or entity the right to remain in the Service of the Company or an Affiliate, or to interfere in any way with any contractual or other right or authority of the Company or an Affiliate either to increase or decrease the compensation or other payments to any individual or entity at any time, or to terminate any Service or other relationship between any individual or entity and the Company or an Affiliate. In addition, notwithstanding anything contained in the Plan to the contrary, unless otherwise stated in the applicable Award Agreement, in another agreement with the Grantee, or otherwise in writing, no Award granted under the Plan shall be affected by any change of duties or position of the Grantee thereof, so long as such Grantee continues to provide Service. The obligation of the Company to pay any benefits pursuant to this Plan shall be interpreted as a contractual obligation to pay only those amounts described herein, in the manner and under the conditions prescribed herein. The Plan and Awards shall in no way be interpreted to require the Company to transfer any amounts to a third party trustee or otherwise hold any amounts in trust or escrow for payment to any Grantee or beneficiary under the terms of the Plan.

### **18.2. Nonexclusivity of the Plan.**

Neither the adoption of the Plan nor the submission of the Plan to the stockholders of the Company for approval shall be construed as creating any limitations upon the right and authority of the Board to adopt such other incentive compensation arrangements (which arrangements may be applicable either generally to a class or classes of individuals or specifically to a particular individual or particular individuals) as the Board in its discretion determines desirable.

### **18.3. Withholding Taxes.**

The Company or an Affiliate, as the case may be, shall have the right to deduct from payments of any kind otherwise due to a Grantee any federal, state, or local taxes of any kind required by Applicable Laws to be withheld with respect to the vesting of or other lapse of restrictions applicable to an Award or upon the issuance of any shares of Stock upon the exercise of an Option or pursuant to any other Award. At the time of such vesting, lapse, or exercise, the Grantee shall pay in cash to the Company or an Affiliate, as the case may be, any amount that the Company or an Affiliate may reasonably determine to be necessary to satisfy such withholding obligation; provided, that if there is a same-day sale of shares of Stock subject to an Award, the Grantee shall pay such withholding obligation on the day on which the same-day sale is completed. Subject to the prior approval of the Company or an Affiliate, which may be withheld by the Company or an Affiliate, as the case may be, in its sole discretion, the Grantee may elect to satisfy such withholding obligations, in whole or in part, (i) by causing the Company or an Affiliate to withhold shares of Stock otherwise issuable to the Grantee or (ii) by delivering to the Company or an Affiliate shares of Stock already owned by the Grantee. The shares of Stock so withheld or delivered shall have an aggregate Fair Market Value equal to such withholding obligations. The Fair Market Value of the shares of Stock used to satisfy such withholding obligation shall be determined by the Company or an Affiliate as of the date that the amount of tax to be withheld is to be determined. A Grantee who has made an election pursuant to this **Section 18.3** may satisfy such Grantee's withholding obligation only with shares of Stock that are not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements. The maximum number of shares of Stock that may be withheld from any Award to satisfy any federal, state, or local tax withholding requirements upon the exercise, vesting, or lapse of restrictions applicable to such Award or payment of shares of Stock pursuant to such Award, as applicable, may not exceed such number of shares of Stock having a Fair Market Value equal to the minimum statutory amount required by the Company or an Affiliate to be withheld and paid to any such federal, state, or local taxing authority with respect to such exercise, vesting, lapse of restrictions, or payment of shares of Stock.

### **18.4. Captions.**

The use of captions in the Plan or any Award Agreement is for convenience of reference only and shall not affect the meaning of any provision of the Plan or such Award Agreement.

### **18.5. Other Provisions.**

Each Award granted under the Plan may contain such other terms and conditions not inconsistent with the Plan as may be determined by the Board, in its sole discretion.

### **18.6. Number and Gender.**

With respect to words used in the Plan, the singular form shall include the plural form, the masculine gender shall include the feminine gender, etc., as the context requires.

### **18.7. Severability.**

If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

### **18.8. Governing Law**

The validity and construction of this Plan and the instruments evidencing the Awards hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan and the instruments evidencing the Awards granted hereunder to the substantive laws of any other jurisdiction.

**18.9. Section 409A of the Code.**

The Plan is intended to comply with Code Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, the Plan will be interpreted and administered to be in compliance with Code Section 409A. Any payments described in the Plan that are due within the “short-term deferral period” (as defined for purposes of Code Section 409A) will not be treated as deferred compensation unless Applicable Laws require otherwise. Notwithstanding any provision of the Plan to the contrary, to the extent required to avoid accelerated taxation and tax penalties under Code Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Plan during the six (6)-month period immediately following the Grantee’s Separation from Service will instead be paid on the first payroll date after the six (6)-month anniversary of the Grantee’s Separation from Service (or the Grantee’s death, if earlier).

Furthermore, notwithstanding anything to the contrary in the Plan, in the case of an Award that is characterized as deferred compensation under Code Section 409A, and pursuant to which settlement and delivery of the cash or shares of Stock subject to the Award is triggered based on a Change in Control, in no event will a Change in Control be deemed to have occurred for purposes of such settlement and delivery of cash or shares of Stock if the transaction is not also a “change in the ownership or effective control of” the Company or “a change in the ownership of a substantial portion of the assets of” the Company as determined under Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder). If an Award characterized as deferred compensation under Code Section 409A is not settled and delivered on account of the provision of the preceding sentence, the settlement and delivery will occur on the next succeeding settlement and delivery triggering event that is a permissible triggering event under Code Section 409A. No provision of this paragraph will in any way affect the determination of a Change in Control for purposes of vesting in an Award that is characterized as deferred compensation under Code Section 409A.

Notwithstanding the foregoing, neither the Company nor the Committee will have any obligation to take any action to prevent the assessment of any excise tax or penalty on any Grantee under Code Section 409A and neither the Company, nor an Affiliate, nor the Board will have any liability to any Grantee for such tax or penalty.

\* \* \*

To record adoption of the Plan by the Board on September 28, 2015, approval of the Plan by the stockholders on [ , 2015], and effectiveness of the Plan on [ , 2015], the Company has caused its authorized officer to execute the Plan.

SYNDAX PHARMACEUTICALS, INC.

By: \_\_\_\_\_  
Name:  
Title:



SYNDAX PHARMACEUTICALS, INC.  
2015 OMNIBUS INCENTIVE PLAN

INCENTIVE STOCK OPTION AGREEMENT

Syndax Pharmaceuticals, Inc., a Delaware corporation (the “Company”), hereby grants an option to purchase shares of its common stock, par value \$0.0001 per share (the “Option”), to the optionee named below, subject to the vesting and other conditions set forth below. Additional terms and conditions of the grant are set forth in this cover sheet and in the attachment (collectively, the “Agreement”), and in the Company’s 2015 Omnibus Incentive Plan (as amended from time to time, the “Plan”).

Optionee Name: \_\_\_\_\_

Grant Date: \_\_\_\_\_

Number of Shares of Stock Covered by Option: \_\_\_\_\_

Option Price per Share of Stock: \$ \_\_\_\_\_. (Must be at least 100% of Fair Market Value on the Grant Date or 110% of the Fair Market Value on the Grant Date if the Optionee is a 10% Stockholder)

Vesting Start Date: \_\_\_\_\_

Vesting Schedule: \_\_\_\_\_

Expiration Date: \_\_\_\_\_ (Ten years from the Grant Date)

***By your signature below, you agree to all of the terms and conditions described in the Agreement and in the Plan, a copy of which is also attached. You acknowledge that you have carefully reviewed the Plan, and agree that the Plan will control in the event any provision of this or Agreement should appear to be inconsistent with the Plan.***

Optionee: \_\_\_\_\_  
(Signature)

Date: \_\_\_\_\_

Company: \_\_\_\_\_  
(Signature)

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Attachment

*This is not a share certificate or a negotiable instrument.*

**SYNDAX PHARMACEUTICALS, INC.**  
**2015 OMNIBUS INCENTIVE PLAN**

**INCENTIVE STOCK OPTION AGREEMENT**

**Incentive Stock Option**

This Agreement evidences an award of an Option exercisable for that number of shares of Stock set forth on the cover sheet and subject to the vesting and other conditions set forth in the Agreement and in the Plan. This Option is intended to be an “incentive stock option” under Section 422 of the Code and will be interpreted accordingly. If you cease to be an employee of the Company, its parent or a subsidiary (“Employee”) but continue to provide Service, this Option will be deemed a non-qualified stock option three months after you cease to be an Employee. In addition, to the extent that all or part of this Option exceeds the \$100,000 rule of Section 422(d) of the Code, this Option or the lesser excess part will be deemed to be a non-qualified stock option.

**Transfer of Option**

During your lifetime, only you (or, in the event of your legal incapacity or incompetency, your guardian or legal representative) may exercise the Option. The Option may not be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered, whether by operation of law or otherwise, nor may the Option be made subject to execution, attachment or similar process.

If you attempt to do any of these things, this Option will immediately become forfeited.

**Vesting**

The Option will vest in accordance with the vesting schedule shown on the cover sheet so long as you continue in Service on the vesting dates set forth on the cover sheet and is exercisable only as to its vested portion.

No additional shares of Stock will vest after your Service has terminated for any reason.

**Change in Control**

Notwithstanding the vesting schedule set forth above, upon the consummation of a Change in Control, the Option will become 100% vested [(i) if it is not assumed, or equivalent options are not substituted for the Option, by the Company or its successor[, or (ii) if assumed or substituted for, upon your Involuntary Termination within the 12-month period following the consummation of the Change in Control. If assumed or substituted for, the option will expire one year after the date of your termination of Service, for any reason, within such 12-month period.]

[“Involuntary Termination” means termination of your Service by reason of (i) your involuntary dismissal by the Company or its successor for reasons other than Cause; or (ii) your voluntary resignation for Good Reason as defined in any applicable employment or severance agreement, plan, or arrangement between you and the Company, or if none, then following (a) a substantial adverse alteration in your title or responsibilities from those in effect immediately prior to the Change in Control; (b) a reduction in your annual base salary as of immediately prior to the Change in Control (or as the same may be increased from time to time) or a material reduction in your annual target bonus

opportunity as of immediately prior to the Change in Control; or (c) the relocation of your principal place of employment to a location more than 35 miles from your principal place of employment as of the Change in Control or the Company's requiring you to be based anywhere other than such principal place of employment (or permitted relocation thereof) except for required travel on the Company's business to an extent substantially consistent with your business travel obligations as of immediately prior to the Change in Control. To qualify as an "Involuntary Termination" you must provide notice to the Company of any of the foregoing occurrences within 90 days of the initial occurrence and the Company will have 30 days to remedy such occurrence. To the extent not remedied, you must terminate employment within 60 days following the expiration of the 30 day cure period for such occurrence to constitute an Involuntary Termination.]

**Forfeiture of Unvested Option/Term**

Unless the termination of your Service triggers accelerated vesting or other treatment of your Option pursuant to the terms of this Agreement, the Plan, or any other written agreement between the Company or Affiliate and you, you will automatically forfeit to the Company those portions of the Option that have not yet vested in the event your Service terminates for any reason.

Notwithstanding anything in this Agreement to the contrary, your option will expire in any event at the close of business at Company headquarters on the day before the 10th anniversary (or, if you are a Ten Percent Stockholder, on the day before the 5th anniversary) of the Grant Date, as shown on the cover sheet. Your option will expire earlier if your Service terminates, as described below.

**Expiration of Vested Option After Service Terminates**

If your Service terminates for any reason, other than death, Disability or Cause, then the vested portion of your Option will expire at the close of business at Company headquarters on the date that is three months after your termination date.

If your Service terminates because of your death or Disability, or if you die during the three-month period after your termination for any reason (other than Cause), then the vested portion of your Option will expire at the close of business at Company headquarters on the date 12 months after the date of your death or termination for Disability. During that 12-month period, your estate or heirs may exercise the vested portion of your Option.

If your Service is terminated for Cause, then you will immediately forfeit all rights to your entire Option and the Option will immediately expire.

**Forfeiture of Rights**

If you should take actions in violation or breach of or in conflict with any agreement prohibiting solicitation of employees or clients of the Company or any Affiliate or any confidentiality obligation with respect to the Company or any Affiliate, the Company has the right to cause an immediate forfeiture of your rights to this Option, and the Option will immediately expire.

**Leaves of Absence**

For purposes of this Agreement, your Service does not terminate when you go on a *bona fide* leave of absence that was approved by the Company in writing if the terms of the leave provide for continued Service crediting, or when continued Service crediting is required by applicable law. Your Service terminates in any event when the approved leave ends unless you immediately return to active employee work.

The Company may determine, in its discretion, which leaves count for this purpose, and when your Service terminates for all purposes under the Plan in accordance with the provisions of the Plan.

**Notice of Exercise**

The Option may be exercised, in whole or in part, to purchase a whole number of vested shares of Stock of not less than 100 shares, unless the number of vested shares of Stock purchased is the total number available for purchase under the Option, by following the procedures set forth in the Plan and in this Agreement.

When you wish to exercise this Option, you must exercise in a manner required or permitted by the Company.

If someone else wants to exercise this Option after your death, that person must prove to the Company's satisfaction that he or she is entitled to do so.

**Form of Payment**

When you exercise your Option, you must include payment of the option price indicated on the cover sheet for the shares of Stock you are purchasing. Payment may be made in one (or a combination) of the following forms:

- Cash, your personal check, a cashier's check, a money order or another cash equivalent acceptable to the Company.
- Shares of Stock that are owned by you and that are surrendered to the Company. The Fair Market Value of the shares of Stock as of the effective date of the option exercise will be applied to the option price.
- By delivery (on a form prescribed by the Company) of an irrevocable direction to a licensed securities broker acceptable to the Company to sell shares of Stock and to deliver all or part of the sale proceeds to the Company in payment of the aggregate option price and any withholding taxes (if approved in advance by the Committee of the Board if you are either an executive officer or a director of the Company).

**Evidence of Issuance**

The issuance of the shares of Stock upon exercise of this Option will be evidenced in such a manner as the Company, in its discretion, will deem appropriate, including, without limitation, book-entry, direct registration or issuance of one or more Stock certificates.

**Withholding Taxes**

You agree as a condition of this grant that you will make acceptable arrangements to pay any withholding or other taxes that may be due as a result of the Option exercise or sale of shares of Stock acquired under this Option. In the event that the Company or any Affiliate determines that any federal, state, local or foreign tax or withholding payment is required relating to the exercise of this Option or sale of shares of Stock arising from this Option, the Company or any Affiliate will have the right to require such payments from you, or withhold such amounts from other payments due to you from the Company or any Affiliate (including withholding the delivery of vested shares of Stock otherwise deliverable upon exercise of this Option).

**Retention Rights**

This Agreement and the grant evidenced by this Agreement do not give you the right to be retained by the Company or any Affiliate in any capacity. Unless otherwise specified in an employment or other written agreement between the Company or any Affiliate and you, the Company or any Affiliate reserves the right to terminate your Service at any time and for any reason.

**Stockholder Rights**

You, or your estate or heirs, have no rights as a stockholder of the Company until the shares of Stock have been issued upon exercise of your Option and either a certificate evidencing your shares of Stock have been issued or an appropriate entry has been made on the Company's books. No adjustments are made for dividends, distributions or other rights if the applicable record date occurs before your certificate is issued (or an appropriate book entry is made), except as described in the Plan.

Your Option will be subject to the terms of any applicable agreement of merger, liquidation or reorganization in the event the Company is subject to such corporate activity.

**Clawback**

This Option is subject to mandatory repayment by you to the Company to the extent you are or in the future become subject to any Company "clawback" or recoupment policy that requires the repayment by you to the Company of compensation paid by the Company to you in the event that you fail to comply with, or violate, the terms or requirements of such policy.

If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws and you knowingly engaged in the misconduct, were grossly negligent in engaging in the misconduct, knowingly failed to prevent the misconduct or were grossly negligent in failing to prevent the misconduct, you will reimburse the Company the amount of any payment in settlement of this Option earned or accrued during the 12-month period following the first public issuance or filing with the Securities and Exchange Commission (whichever first occurred) of the financial document that contained such material noncompliance.

**Applicable Law**

This Agreement will be interpreted and enforced under the laws of the State of Delaware, other than 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.

**The Plan**

The text of the Plan is incorporated into the Agreement by reference.

***Certain capitalized terms used in the Agreement are defined in the Plan, and have the meaning set forth in the Plan.***

This Agreement and the Plan constitute the entire understanding between you and the Company regarding this Option. Any prior agreements, commitments or negotiations concerning this grant are superseded; except that any written employment, consulting, confidentiality, non-solicitation and/or severance agreement between you and the Company or any Affiliate will supersede this Agreement with respect to its subject matter.

**Data Privacy**

To administer the Plan, the Company may process personal data about you. Such data includes, but is not limited to, information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you such as your contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan.

By accepting this grant, you give explicit consent to the Company to process any such personal data.

**Tax Consequences**

The Option is intended to be exempt from, or to comply with, Code Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Agreement will be interpreted and administered to be in compliance with Code Section 409A. Notwithstanding anything to the contrary in the Plan or this Agreement, neither the Company, its Affiliates, the Board nor the Committee will have any obligation to take any action to prevent the assessment of any excise tax or penalty on you under Code Section 409A and neither the Company, its Affiliates, the Board nor the Committee will have any liability to you for such tax or penalty.

***By signing the Agreement, you agree to all of the terms and conditions described above and in the Plan.***

SYNDAX PHARMACEUTICALS, INC.  
2015 OMNIBUS INCENTIVE PLAN

NON-QUALIFIED OPTION AGREEMENT

Syndax Pharmaceuticals, Inc., a Delaware corporation (the “Company”), hereby grants an option to purchase shares of its common stock, par value \$0.0001 per share (the “Option”), to the optionee named below, subject to the vesting and other conditions set forth below. Additional terms and conditions of the grant are set forth in this cover sheet and in the attachment (collectively, the “Agreement”), and in the Company’s 2015 Omnibus Incentive Plan (as amended from time to time, the “Plan”).

Optionee Name: \_\_\_\_\_

Grant Date: \_\_\_\_\_

Number of Shares of Stock Covered by Option: \_\_\_\_\_

Option Price per Share of Stock: \$ \_\_\_\_\_. (Must be at least 100% of Fair Market Value on the Grant Date)

Vesting Start Date: \_\_\_\_\_

Vesting Schedule: \_\_\_\_\_

Expiration Date: \_\_\_\_\_ (Ten years from the Grant Date)

***By your signature below, you agree to all of the terms and conditions described in the Agreement and in the Plan, a copy of which is also attached. You acknowledge that you have carefully reviewed the Plan, and agree that the Plan will control in the event any provision of this or Agreement should appear to be inconsistent with the Plan.***

Optionee: \_\_\_\_\_  
(Signature)

Date: \_\_\_\_\_

Company: \_\_\_\_\_  
(Signature)

Date: \_\_\_\_\_

Title: \_\_\_\_\_

*Attachment*

*This is not a share certificate or a negotiable instrument.*

**SYNDAX PHARMACEUTICALS, INC.  
2015 OMNIBUS INCENTIVE PLAN**

**NON-QUALIFIED OPTION AGREEMENT**

**Non-qualified Option**

This Agreement evidences an award of an Option exercisable for that number of shares of Stock set forth on the cover sheet and subject to the vesting and other conditions set forth in the Agreement and in the Plan. This Option is not intended to be an incentive stock option under Section 422 of the Code and will be interpreted accordingly.

**Transfer of Option**

During your lifetime, only you (or, in the event of your legal incapacity or incompetency, your guardian or legal representative) may exercise the Option. The Option may not be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered, whether by operation of law or otherwise, nor may the Option be made subject to execution, attachment or similar process.

If you attempt to do any of these things, this Option will immediately become forfeited.

**Vesting**

The Option will vest in accordance with the vesting schedule shown on the cover sheet so long as you continue in Service on the vesting dates set forth on the cover sheet and is exercisable only as to its vested portion.

No additional shares of Stock will vest after your Service has terminated for any reason.

**Change in Control**

Notwithstanding the vesting schedule set forth above, upon the consummation of a Change in Control, the Option will become 100% vested [(i) if it is not assumed, or equivalent options are not substituted for the Option, by the Company or its successor], or (ii) if assumed or substituted for, upon your Involuntary Termination within the 12-month period following the consummation of the Change in Control. If assumed or substituted for, the option will expire one year after the date of your termination of Service, for any reason, within such 12-month period.]

["Involuntary Termination" means termination of your Service by reason of (i) your involuntary dismissal by the Company or its successor for reasons other than Cause; or (ii) your voluntary resignation for Good Reason as defined in any applicable employment or severance agreement, plan, or arrangement between you and the Company, or if none, then following (a) a substantial adverse alteration in your title or responsibilities from those in effect immediately prior to the Change in Control; (b) a reduction in your annual base salary as of immediately prior to the Change in Control (or as the same may be increased from time to time) or a material reduction in your annual target bonus opportunity as of immediately prior to the Change in Control; or (c) the relocation of your principal place of employment to a location more than 35 miles from your principal place of employment as of the Change in Control or the Company's requiring you to be based anywhere other than such principal place of employment (or permitted relocation thereof) except for required travel



on the Company's business to an extent substantially consistent with your business travel obligations as of immediately prior to the Change in Control. To qualify as an "Involuntary Termination" you must provide notice to the Company of any of the foregoing occurrences within 90 days of the initial occurrence and the Company will have 30 days to remedy such occurrence. To the extent not remedied, you must terminate employment within 60 days following the expiration of the 30 day cure period for such occurrence to constitute an Involuntary Termination.]

**Forfeiture of Unvested Option/Term**

Unless the termination of your Service triggers accelerated vesting or other treatment of your Option pursuant to the terms of this Agreement, the Plan, or any other written agreement between the Company or Affiliate and you, you will automatically forfeit to the Company those portions of the Option that have not yet vested in the event your Service terminates for any reason.

Notwithstanding anything in this Agreement to the contrary, your option will expire in any event at the close of business at Company headquarters on the day before the 10th anniversary of the Grant Date, as shown on the cover sheet. Your option will expire earlier if your Service terminates, as described below.

**Expiration of Vested Option After Service Terminates**

If your Service terminates for any reason, other than death, Disability or Cause, then the vested portion of your Option will expire at the close of business at Company headquarters on the date that is three months after your termination date.

If your Service terminates because of your death or Disability, or if you die during the three-month period after your termination for any reason (other than Cause), then the vested portion of your Option will expire at the close of business at Company headquarters on the date 12 months after the date of your death or termination for Disability. During that 12-month period, your estate or heirs may exercise the vested portion of your Option.

If your Service is terminated for Cause, then you will immediately forfeit all rights to your entire Option, and the Option will immediately expire.

**Forfeiture of Rights**

If you should take actions in violation or breach of or in conflict with any agreement prohibiting solicitation of employees or clients of the Company or any Affiliate or any confidentiality obligation with respect to the Company or any Affiliate, the Company has the right to cause an immediate forfeiture of your rights to this Option, and the Option will immediately expire.

**Leaves of Absence**

For purposes of this Agreement, your Service does not terminate when you go on a *bona fide* leave of absence that was approved by the Company in writing if the terms of the leave provide for continued Service crediting, or when continued Service crediting is required by applicable law. Your Service terminates in any event when the approved leave ends unless you immediately return to active employee work.

The Company may determine, in its discretion, which leaves count for this purpose, and when your Service terminates for all purposes under the Plan in accordance with the provisions of the Plan.

**Notice of Exercise**

The Option may be exercised, in whole or in part, to purchase a whole number of vested shares of Stock of not less than 100 shares, unless the number of vested shares of Stock purchased is the total number available for purchase under the Option, by following the procedures set forth in the Plan and in this Agreement.

When you wish to exercise this Option, you must exercise in a manner required or permitted by the Company.

If someone else wants to exercise this Option after your death, that person must prove to the Company's satisfaction that he or she is entitled to do so.

**Form of Payment**

When you exercise your Option, you must include payment of the option price indicated on the cover sheet for the shares of Stock you are purchasing. Payment may be made in one (or a combination) of the following forms:

- Cash, your personal check, a cashier's check, a money order or another cash equivalent acceptable to the Company.
- Shares of Stock that are owned by you and that are surrendered to the Company. The Fair Market Value of the shares of Stock as of the effective date of the option exercise will be applied to the option price.
- By delivery (on a form prescribed by the Company) of an irrevocable direction to a licensed securities broker acceptable to the Company to sell shares of Stock and to deliver all or part of the sale proceeds to the Company in payment of the aggregate option price and any withholding taxes (if approved in advance by the Committee of the Board if you are either an executive officer or a director of the Company).

**Evidence of Issuance**

The issuance of the shares of Stock upon exercise of this Option will be evidenced in such a manner as the Company, in its discretion, will deem appropriate, including, without limitation, book-entry, direct registration or issuance of one or more Stock certificates.

**Withholding Taxes**

You agree as a condition of this grant that you will make acceptable arrangements to pay any withholding or other taxes that may be due as a result of the Option exercise or sale of shares of Stock acquired under this Option. In the event that the Company or any Affiliate determines that any federal, state, local or foreign tax or withholding payment is required relating to the exercise of this Option or sale of shares of Stock arising from this Option, the Company or any Affiliate will have the right to require such payments from you, or withhold such amounts from other payments due to you from the Company or any Affiliate (including withholding the delivery of vested shares of Stock otherwise deliverable upon exercise of this Option).

**Retention Rights**

This Agreement and the grant evidenced by this Agreement do not give you the right to be retained by the Company or any Affiliate in any capacity. Unless otherwise specified in an employment or other written agreement between the Company or any Affiliate and you, the Company or any Affiliate reserves the right to terminate your Service at any time and for any reason.

**Stockholder Rights**

You, or your estate or heirs, have no rights as a stockholder of the Company until the shares of Stock have been issued upon exercise of your Option and either a certificate evidencing your shares of Stock have been issued or an appropriate entry has been made on the Company's books. No adjustments are made for dividends, distributions or other rights if the applicable record date occurs before your certificate is issued (or an appropriate book entry is made), except as described in the Plan.

Your Option will be subject to the terms of any applicable agreement of merger, liquidation or reorganization in the event the Company is subject to such corporate activity.

**Clawback**

This Option is subject to mandatory repayment by you to the Company to the extent you are or in the future become subject to any Company "clawback" or recoupment policy that requires the repayment by you to the Company of compensation paid by the Company to you in the event that you fail to comply with, or violate, the terms or requirements of such policy.

If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws and you knowingly engaged in the misconduct, were grossly negligent in engaging in the misconduct, knowingly failed to prevent the misconduct or were grossly negligent in failing to prevent the misconduct, you will reimburse the Company the amount of any payment in settlement of this Option earned or accrued during the 12-month period following the first public issuance or filing with the Securities and Exchange Commission (whichever first occurred) of the financial document that contained such material noncompliance.

**Applicable Law**

This Agreement will be interpreted and enforced under the laws of the State of Delaware, other than 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.

**The Plan**

The text of the Plan is incorporated into the Agreement by reference.

***Certain capitalized terms used in the Agreement are defined in the Plan, and have the meaning set forth in the Plan.***

This Agreement and the Plan constitute the entire understanding between you and the Company regarding this Option. Any prior agreements, commitments or negotiations concerning this grant are superseded; except that any written employment, consulting, confidentiality, non-solicitation and/or severance agreement between you and the Company or any Affiliate will supersede this Agreement with respect to its subject matter.

**Data Privacy**

To administer the Plan, the Company may process personal data about you. Such data includes, but is not limited to, information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you such as your contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan.

By accepting this grant, you give explicit consent to the Company to process any such personal data.

**Tax Consequences**

The Option is intended to be exempt from, or to comply with, Code Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Agreement will be interpreted and administered to be in compliance with Code Section 409A. Notwithstanding anything to the contrary in the Plan or this Agreement, neither the Company, its Affiliates, the Board nor the Committee will have any obligation to take any action to prevent the assessment of any excise tax or penalty on you under Code Section 409A and neither the Company, its Affiliates, the Board nor the Committee will have any liability to you for such tax or penalty.

*By signing the Agreement, you agree to all of the terms and conditions described above and in the Plan.*



process as may be established by the Administrator from time to time, pursuant to which an employee who satisfies the eligibility criteria set forth in Section 4 elects to participate in the Plan or elects to make changes with respect to such participation as permitted by the Plan.

(l) "Fair Market Value" means the value of each share of Common Stock subject to the Plan on a given date determined as follows: if on such date the shares of Common Stock are listed on an established national or regional stock exchange or are publicly traded on an established securities market, the Fair Market Value of the shares of Common Stock shall be the closing price of the shares of Common Stock on such exchange or in such market (the exchange or market selected by the Board if there is more than one such exchange or market) on such date or, if such date is not a trading day, on the trading day immediately preceding such date, or, if no sale of the shares of Common Stock is reported for such trading day, on the next preceding day on which any sale shall have been reported. If the shares of Common Stock are not listed on such an exchange or traded on such a market, the Fair Market Value shall be determined by the Board in good faith.

(m) "Offering Period" means the period determined by the Administrator pursuant to Section 7, which period shall not exceed twenty-seven (27) months, during which payroll deductions or other cash payments are accumulated for the purpose of purchasing Common Stock under the Plan.

(n) "Participating Affiliate" means any company or other trade or business that is a subsidiary of the Company (determined in accordance with the principles of Section 424(f) of the Code and the regulations thereunder).

(o) "Participant" means an Employee of the Company or a Participating Affiliate who satisfies the eligibility criteria set forth in Section 4 and who has properly elected to participate in the Plan pursuant to Section 5.

(p) "Plan" means this Syndax Pharmaceuticals, Inc. 2015 Employee Stock Purchase Plan, as it may be amended from time to time.

(q) "Purchase Period" means the period designated by the Administrator on the last trading day of which purchases of Common Stock are made under the Plan.

(r) "Purchase Price" means the purchase price of each share of Common Stock purchased under the Plan.

## **2. SHARES SUBJECT TO THE PLAN**

(a) Subject to adjustment as provided in Section 25, the aggregate number of shares of Common Stock that may be made available for purchase by Participants under the Plan is [ ] shares. In addition, the number of shares of Common Stock available for purchase by Participants under the Plan shall automatically increase on January 1st of each year, commencing January 1, 2017 and continuing until the expiration of the Plan, in an amount equal to the lesser of (a) one percent (1%) of the total number of shares of Common Stock outstanding on December 31st of the preceding calendar year, or (b) 250,000 shares of Common Stock. Notwithstanding the foregoing, the Board may act prior to the first day of any calendar year to provide that there shall be no increase in the share reserve for such calendar year or that the increase in the share reserve for such calendar year shall be a lesser number of shares of Common Stock than would otherwise occur pursuant to the preceding sentence.

(b) The shares of Common Stock issuable under the Plan may, in the discretion of the Board, be authorized but unissued shares, treasury shares or shares purchased on the open market.

### 3. ADMINISTRATION

(a) **Administrator.** The Plan shall be administered by an Administrator, which shall be the Board or a Committee. Subject to the express provisions of the Plan, the Administrator will have full authority (i) to adopt, amend, suspend, waive and rescind such rules and regulations and appoint such agents as it may deem necessary or advisable to administer the Plan, (ii) to correct any defect or supply any omission or reconcile any inconsistency in the Plan, (iii) to construe and interpret the Plan and rules and regulations thereunder, (iv) to furnish to the Custodian such information as the Custodian may require, and (v) to make all other decisions and determinations necessary or advisable in administering the Plan (including, without limitation, determinations relating to eligibility, minimum and maximum contribution rates, limits on the number of shares of Common Stock a Participant may elect to purchase with respect to any Offering Period, the Purchase Price, the timing and length of Offering Periods and Purchase Periods). No person acting in connection with the administration of the Plan will, in that capacity, participate in deciding any matter relating to his or her participation in the Plan. The Administrator's determinations under the Plan shall be final, conclusive, and binding on all persons.

(b) **Custodian.** The Custodian shall act as custodian under the Plan and shall perform such duties as are set forth in the Plan and in any agreement between the Company and the Custodian. The Custodian will establish and maintain, as agent for each Participant, an Account and any subaccounts as may be necessary or desirable for the administration of the Plan.

(c) **Other Administrative Provisions.** The Company will furnish information to the Custodian from its records as directed by the Administrator, and such records will be conclusive on all persons unless determined by the Administrator to be incorrect. Each Participant and other person claiming benefits under the Plan must furnish to the Company in writing an up-to-date mailing address and any other information as the Administrator or Custodian may reasonably request. Any communication, statement or notice mailed with postage prepaid to any such Participant or other person at the last mailing address filed with the Company will be deemed sufficiently given when mailed and will be binding upon the named recipient. The Plan will be administered on a reasonable and nondiscriminatory basis, and Plan provisions and rules thereunder will apply in a uniform manner to all persons similarly situated.

(d) **No Liability.** No member of the Board or the Committee, nor any of their agents or designees, shall be liable to any person (i) for any act, failure to act, or determination made in good faith with respect to the Plan or (ii) for any tax (including any interest and penalties) by reason of the failure of the Plan to satisfy the requirements of Section 423 of the Code, the failure of the Participant to satisfy the requirements of Section 423 of the Code, or otherwise asserted with respect to the Plan or shares of Common Stock purchased or deemed purchased under the Plan.

### 4. ELIGIBLE EMPLOYEES

Any employee of the Company or any of its Participating Affiliates may participate in the Plan, except the following, who are ineligible to participate: (a) an employee whose customary employment is less than twenty (20) hours per week; and (b) an employee who, after exercising his or her rights to purchase shares of Common Stock under the Plan, would own (directly or by attribution pursuant to Section 424(d) of the Code) shares of Common Stock (including shares that may be acquired under any outstanding options) representing five percent (5%) or more of the total combined voting power of all classes of stock of the Company. For purposes of the Plan, the employment relationship will be treated as continuing while the individual is on sick leave or other leave of absence that the Company or any of its Participating Affiliates approves or which meets the requirements of Treasury Regulations Section 1.421-1(h)(2). Where the period of leave exceeds three (3) months and the individual's right to reemployment is

not guaranteed either by statute or by contract, the employment relationship will be deemed to have terminated three (3) months and one (1) day following the commencement of such leave. The Administrator may, at any time in its sole discretion, if it deems it advisable to do so, exclude the participation of the employees of a particular Participating Affiliate from eligibility to participate in a future Offering Period.

## 5. ENROLLMENT IN THE PLAN

(a) **Initial Enrollment.** An employee who is or who will become eligible under Section 4 on or before a given Enrollment Date may, after receiving current information about the Plan, enroll in the Plan by executing a properly completed Enrollment Form, including thereon the employee's election as to the rate of payroll deductions or, if authorized by the Administrator, payment of the Purchase Price by means of periodic cash payments, for the Offering Period. For an employee's enrollment to be effective for any Offering Period, such Enrollment Form must be submitted as directed by the Administrator at least [ ( ) ] days before the Enrollment Date for the Offering Period.

(b) **Automatic Reenrollment for Subsequent Offering Periods.** Following the end of each Offering Period, each then-current Participant shall be automatically reenrolled in the next Offering Period unless (i) the Participant terminates participation in the Plan before the Enrollment Date for the next Offering Period in accordance with Section 19 or (ii) on such Enrollment Date he or she is ineligible to participate in the Plan under Section 4. The rate of payroll contributions or periodic cash payments for a Participant who is automatically reenrolled for an Offering Period will be the same as the rate of payroll contributions or periodic cash payments in effect at the end of the preceding Offering Period, unless the Participant submits, as directed by the Administrator, a new Enrollment Form at least [ ( ) ] days before the Enrollment Date for the Offering Period and designates a different rate of payroll contributions or, if authorized by the Administrator, periodic cash payments.

## 6. CONTRIBUTIONS

(a) **Payroll Deductions.** Subject to Section 6(b), a Participant's contributions under the Plan shall be by means of after-tax payroll deductions from each payroll period which ends during the Offering Period, at the rate elected by the Participant in his or her Enrollment Form. Notwithstanding the foregoing and any election of a Participant, a Participant's rate of payroll deductions will be adjusted downward by the Company at any time or from time to time as necessary to ensure that the limit on the amount of Common Stock purchased with respect to an Offering Period set forth in Section 10 is not exceeded. Unless otherwise permitted by the Administrator, a Participant may not during any Offering Period change his or her percentage of payroll deductions for that Offering Period, nor may a Participant withdraw any contributed funds, other than in accordance with Sections 15 through 19.

(b) **Periodic Cash Payments.** Pursuant to Section 5, if authorized by the Administrator, a Participant may elect on the Enrollment Form to make contributions under the Plan by means of periodic cash payments to the Plan during an Offering Period. Unless otherwise permitted by the Administrator, a Participant may not during any Offering Period change his or her amount of periodic cash payments for that Offering Period, nor may a Participant withdraw any contributed funds, other than in accordance with Sections 15 through 19. Notwithstanding the foregoing, under any of the circumstances contemplated by the Plan, where the purchase of shares of Common Stock will be made through periodic cash payments in lieu of payroll deductions, the failure to make any such payments shall reduce, to the extent of the deficiency in such payments, the number of shares purchasable under this Plan by the Participant.



## **7. OFFERING PERIODS AND PURCHASE PERIODS**

The Administrator shall determine the Offering Periods and Purchase Periods. The first Offering Period under the Plan shall commence on the date determined by the Administrator. Each Offering Period shall consist of one or more Purchase Periods, as determined by the Administrator.

## **8. RIGHTS TO PURCHASE COMMON STOCK; PURCHASE PRICE**

Rights to purchase shares of Common Stock will be deemed granted to Participants as of the first trading day of each Offering Period. The Purchase Price of each share of Common Stock shall be determined by the Administrator; *provided, however*, that the Purchase Price shall not be less than the lesser of eighty-five percent (85%) of the Fair Market Value of the Common Stock (i) on the first trading day of the Offering Period or (ii) on the last trading day of the Purchase Period; *provided further*, that in no event shall the Purchase Price be less than the par value of the Common Stock.

## **9. TIMING OF PURCHASE**

Unless a Participant has given prior written notice terminating such Participant's participation in the Plan pursuant to Section 15, or the Participant's participation in the Plan has otherwise been terminated pursuant to Sections 16 through 19, such Participant will be deemed to have automatically exercised his or her right to purchase shares of Common Stock on the last trading day of the Purchase Period (except as provided in Section 15) for the number of shares of Common Stock (including fractional shares) that the accumulated funds in the Participant's Account at that time will purchase at the Purchase Price, subject to the participation adjustment provided for in Section 14 and subject to adjustment under Section 25.

## **10. PURCHASE LIMITATIONS**

Notwithstanding any other provision of the Plan, no Participant may purchase in any one calendar year under the Plan and all other "employee stock purchase plans" of the Company and its Participating Affiliates shares of Common Stock having an aggregate Fair Market Value in excess of \$25,000, determined as of the first trading date of the Offering Period as to shares purchased during such period. In addition, in no event may a Participant purchase more than [ ] shares of Common Stock in any one Offering Period; *provided, however*, that the Administrator may in its discretion, prior to the start of an Offering Period, set a different limit on the number or value of shares of Common Stock a Participant may purchase during the Offering Period. Effective upon the last trading day of the Purchase Period, a Participant will become a stockholder with respect to the shares of Common Stock purchased during such period and will thereupon have all dividend, voting and other ownership rights incident thereto except as otherwise provided in Section 11. Notwithstanding the foregoing, no shares of Common Stock shall be sold pursuant to the Plan unless the Plan is approved by the Company's stockholders in accordance with Section 24.

## **11. STOCK ISSUANCE AND SALE OF PLAN SHARES**

On the last trading day of the Purchase Period, a Participant will be credited with the number of shares of Common Stock purchased for his or her Account under the Plan during such Purchase Period. Shares of Common Stock purchased under the Plan will be held by the Custodian. The Custodian may hold the shares of Common Stock purchased under the Plan by book entry or in the form of stock certificates in nominee names and may commingle shares held in its custody in a single account without identification as to individual Participants.

The Administrator shall have the right to require any or all of the following with respect to shares of Common Stock purchased under the Plan:

(a) that a Participant may not request that all or part of the shares of Common Stock be reissued in the Participant's own name and shares be delivered to the Participant until two (2) years (or such shorter period of time as the Administrator may designate) have elapsed since the first day of the Offering Period in which the shares were purchased and one (1) year has elapsed since the day the shares were purchased (the "Holding Period");

(b) that all sales of shares of Common Stock during the Holding Period applicable to such purchased shares be performed through a licensed broker acceptable to the Company; and

(c) that Participants abstain from selling or otherwise transferring shares of Common Stock purchased pursuant to the Plan for a period lasting up to two (2) years from the date the shares of Common Stock were purchased pursuant to the Plan.

## **12. WITHHOLDING OF TAXES**

To the extent that a Participant recognizes ordinary income in connection with a sale or other transfer of any shares of Common Stock purchased under the Plan, the Company may withhold amounts needed to cover such taxes from any payments otherwise due and owing to the Participant or from shares that would otherwise be issued to the Participant under the Plan. Any Participant who sells or otherwise transfers shares of Common Stock purchased under the Plan within two (2) years after the beginning of the Offering Period in which the shares were purchased must within thirty (30) days of such transfer notify the Company's Payroll Department in writing of such transfer.

## **13. ACCOUNT STATEMENTS**

The Custodian will reflect contributions, purchases, dividends and distributions and reinvestment thereof, withdrawals and transfers of shares of Common Stock and other Plan transactions by appropriate adjustments to the Participant's Account. The Custodian will, not less frequently than semi-annually, provide or cause to be provided a written statement to the Participant showing the transactions in his or her Account and the date thereof, the number of shares of Common Stock purchased, the aggregate Purchase Price paid, the Purchase Price per share, the brokerage fees and commissions paid (if any), the total shares of Common Stock held for the Participant's Account (computed to at least three decimal places) and other information.

## **14. PARTICIPATION ADJUSTMENT**

If in any Purchase Period the number of unsold shares that may be made available for purchase under the Plan pursuant to Section 2 is insufficient to permit exercise of all rights deemed exercised by all Participants pursuant to Section 9, a participation adjustment will be made, and the number of shares of Common Stock purchasable by all Participants will be reduced proportionately. Any funds then remaining in a Participant's Account after such exercise will be refunded to the Participant.

## **15. CHANGES IN ELECTIONS TO PURCHASE**

(a) **Ceasing Payroll Deductions or Periodic Payments.** A Participant may, at any time prior to the last trading day of the Purchase Period, by written notice to the Administrator, direct the Administrator to cease payroll deductions (or, if the payment for shares is being made through periodic

cash payments, notify the Administrator that such payments will be terminated), in accordance with the following alternatives:

(i) the Participant's option to purchase shall be reduced to the number of shares that may be purchased, as of the last day of the Purchase Period, with the amount then credited to the Participant's Account; or

(ii) withdraw the amount in such Participant's Account and terminate such Participant's option to purchase.

(b) **Decreasing or Increasing Payroll Deductions.** A Participant may decrease his or her rate of payroll deduction once during a Purchase Period (but not below ten dollars (\$10.00) per pay period) by delivering to the Company a new Enrollment Form. If and only if expressly permitted by the Administrator, as determined in its sole discretion, for an Offering Period, a Participant may increase the rate of his or her payroll deduction once during the Offering Period.

(c) **Modifying Payroll Deductions or Periodic Payments at the Start of an Offering Period.** Any Participant may increase or decrease his or her payroll deductions or periodic cash payments, to take effect on the first day of the next Offering Period, by delivering to the Company a new Enrollment Form.

## 16. TERMINATION OF EMPLOYMENT

In the event a Participant's employment with the Company and all Participating Affiliates terminates, or is deemed terminated, for any reason other than death prior to the last day of the Purchase Period, the amount in the Participant's Account will be distributed, and the Participant's option to purchase will terminate.

## 17. AUTHORIZED LEAVE OF ABSENCE OR DISABILITY

Payroll deductions for shares for which a Participant has an option to purchase may be suspended during any period of absence of the Participant from work due to an authorized leave of absence or disability or, if the Participant so elects, periodic payments for such shares may continue to be made in cash.

If such Participant returns to active service prior to the last day of the Purchase Period, the Participant's payroll deductions will be resumed, and if such Participant did not make periodic cash payments during the Participant's period of absence, the Participant shall, by written notice to the Administrator within ten (10) days after the Participant's return to active service, but not later than the last day of the Purchase Period, elect:

(a) to make up any deficiency in the Participant's Account resulting from a suspension of payroll deductions by an immediate cash payment;

(b) not to make up such deficiency, in which event the number of shares to be purchased by the Participant shall be reduced to the number of shares which may be purchased with the amount, if any, then credited to the Participant's Account plus the aggregate amount, if any, of all payroll deductions to be made thereafter; or

(c) to withdraw the total amount in the Participant's Account and terminate the Participant's option to purchase.

A Participant on authorized leave of absence or disability on the last day of the Purchase Period who is still an eligible employee under Section 4 shall deliver written notice to the Administrator on or before the last day of the Purchase Period, electing one of the alternatives provided in the foregoing

Sections 17(a), 17(b) and 17(c). If any Participant fails to deliver such written notice within ten (10) days after the Participant's return to active service or by the last day of the Purchase Period, whichever is earlier, the Participant shall be deemed to have elected Section 17(c).

## **18. DEATH**

In the event of the death of a Participant while the Participant's option to purchase shares under the Plan is in effect, the legal representatives of such Participant may, within three (3) months after the Participant's death (but no later than the last day of the Purchase Period) by written notice to the Administrator, elect one of the following alternatives:

(a) the Participant's option to purchase shall be reduced to the number of shares that may be purchased, as of the last day of the Purchase Period, with the amount then credited to the Participant's Account; or

(b) withdraw the amount in such Participant's Account and terminate such Participant's option to purchase.

In the event the legal representatives of such Participant fail to deliver such written notice to the Administrator within the prescribed period, the election to purchase shares shall terminate, and the amount then credited to the Participant's Account shall be paid to such legal representatives.

## **19. TERMINATION OF PARTICIPATION**

A Participant will be refunded all moneys in his or her Account, and his or her participation in the Plan will be terminated if (a) the Board elects to terminate the Plan as provided in Section 24, (b) the Participant ceases to be eligible to participate in the Plan under Section 4, or (c) in accordance with Sections 16 and 17. As soon as practicable following termination of a Participant's participation in the Plan, the Administrator will deliver to the Participant a check representing the amount in the Participant's Account and a book entry statement representing the number of shares of Common Stock held in the Participant's Account. Once terminated, participation may not be reinstated for the then-current Offering Period, but, if otherwise eligible, the employee may elect to participate in any subsequent Offering Period.

## **20. TRANSFER; ASSIGNMENT**

No Participant may transfer or assign his or her rights to purchase shares of Common Stock under the Plan, whether voluntarily, by operation of law or otherwise. Any payment of cash or issuance of shares of Common Stock under the Plan may be made only to the Participant (or, in the event of the Participant's death, to the Participant's estate). During a Participant's lifetime, only such Participant may exercise his or her rights to purchase shares of Common Stock under the Plan. Once a book entry or stock certificate has been issued to the Participant or the Participant's estate for his or her Account, such book entry or stock certificate may be assigned the same as any other book entry or stock certificate.

## **21. APPLICATION OF FUNDS**

All funds received or held by the Company under the Plan may be used for any corporate purpose until applied to the purchase of shares of Common Stock or refunded to the Participant. Participants' Accounts need not be segregated.

## 22. NO RIGHT TO CONTINUED EMPLOYMENT

Neither the Plan nor any right to purchase Common Stock under the Plan confers upon any employee or Participant any right to continued employment with the Company or any of its Participating Affiliates, nor will a Participant's participation in the Plan restrict or interfere in any way with the right of the Company or any of its Participating Affiliates to terminate the Participant's employment at any time.

## 23. AMENDMENT OF THE PLAN

The Board may, at any time, amend the Plan in any respect (including an increase in the percentage specified in Section 8 used in calculating the Purchase Price); *provided, however*, that without approval of the stockholders of the Company, no amendment shall be made (a) increasing the number of shares specified in Section 2 that may be made available for purchase under the Plan (except as provided in Section 25) or (b) changing the eligibility requirements for participating in the Plan. No amendment may be made that impairs the rights of Participants that have vested at the time of amendment.

## 24. TERM; TERMINATION OR SUSPENSION OF THE PLAN

The Plan shall be effective as of the Effective Date. If stockholder approval of the Plan is not obtained within twelve (12) months of the Effective Date, any shares of Common Stock purchased under the Plan following the Effective Date shall automatically be deemed forfeited and cancelled. The Board may suspend or terminate the Plan at any time and for any reason or for no reason, provided that such suspension or termination shall not impair any rights of Participants that have vested at the time of suspension or termination. In any event, the Plan shall, without further action of the Board, terminate on the day before the tenth (10th) anniversary of the date of adoption of the Plan by the Board or, if earlier, at such time as all shares of Common Stock that may be made available for purchase under the Plan pursuant to Section 2 have been issued.

## 25. CHANGES IN CAPITALIZATION

(a) **Changes in Common Stock.** If the number of outstanding shares of Common Stock is increased or decreased or the shares of Common Stock are changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any recapitalization, reclassification, stock split, reverse stock split, spin-off, combination of shares, exchange of shares, stock dividend, or other distribution payable in capital stock, or other increase or decrease in such shares effected without receipt of consideration by the Company occurring after the Effective Date, the number and kinds of shares that may be purchased under the Plan shall be adjusted proportionately and accordingly by the Administrator. In addition, the number and kind of shares for which rights are outstanding shall be similarly adjusted so that the proportionate interest of a Participant immediately following such event shall, to the extent practicable, be the same as immediately prior to such event. Any such adjustment in outstanding rights shall not change the aggregate Purchase Price payable by a Participant with respect to shares subject to such rights but shall include a corresponding proportionate adjustment in the Purchase Price per share. Notwithstanding the foregoing, in the event of a spin-off that results in no change in the number of outstanding shares of Common Stock, the Company may, in such manner as the Company deems appropriate, adjust (i) the number and kind of shares for which rights are outstanding under the Plan and (ii) the Purchase Price per share.

(b) **Reorganization in Which the Company is the Surviving Corporation.** Subject to Section 25(c), if the Company shall be the surviving corporation in any reorganization, merger or consolidation of the Company with one or more other corporations, all outstanding rights under the Plan shall pertain to and apply to the securities to which a holder of the number of shares of Common Stock subject to such rights would have been entitled immediately following such reorganization, merger or

consolidation, with a corresponding proportionate adjustment of the Purchase Price per share so that the aggregate Purchase Price thereafter shall be the same as the aggregate Purchase Price of the shares subject to such rights immediately prior to such reorganization, merger or consolidation.

**(c) Reorganization in Which the Company is Not the Surviving Corporation, Sale of Assets or Stock, and Other Corporate Transactions.**

Upon any dissolution or liquidation of the Company, or upon a merger, consolidation or reorganization of the Company with one or more other corporations in which the Company is not the surviving corporation, or upon a sale of all or substantially all of the assets of the Company to another corporation, or upon any transaction (including, without limitation, a merger or reorganization in which the Company is the surviving corporation) approved by the Board that results in any person or entity owning more than fifty percent (50%) of the combined voting power of all classes of stock of the Company, the Plan and all rights outstanding hereunder shall terminate, except to the extent provision is made in writing in connection with such transaction for the continuation of the Plan and/or the assumption of the rights theretofore granted, or for the substitution for such rights of new rights covering the stock of a successor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kinds of shares and purchase prices, in which event the Plan and rights theretofore granted shall continue in the manner and under the terms so provided. In the event of any such termination of the Plan, the Offering Period and the Purchase Period shall be deemed to have ended on the last trading day prior to such termination, and in accordance with Section 11 the rights of each Participant then outstanding shall be deemed to be automatically exercised on such last trading day. The Administrator shall send written notice of an event that will result in such a termination to all Participants at least ten (10) days prior to the date upon which the Plan will be terminated.

**(d) Adjustments.** Adjustments under this Section 25 related to stock or securities of the Company shall be made by the Administrator, whose determination in that respect shall be final, binding, and conclusive.

**(e) No Limitations on Company.** The grant of a right pursuant to the Plan shall not affect or limit in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

## **26. GOVERNMENTAL REGULATION**

The Company's obligation to issue, sell and deliver shares of Common Stock pursuant to the Plan is subject to such approval of any governmental authority and any national securities exchange or other market quotation system as may be required in connection with the authorization, issuance or sale of such shares.

## **27. STOCKHOLDER INFORMATION RIGHTS**

The Company will deliver to each Participant who purchases shares of Common Stock under the Plan, as promptly as practicable by mail or otherwise, all notices of meetings, proxy statements, proxies and other materials distributed by the Company to its stockholders. There will be no charge to Participants in connection with such notices, proxies and other materials. Any shares of Common Stock held by the Custodian for a Participant's Account will be voted in accordance with the Participant's duly delivered and signed proxy instructions.

## **28. VOTING RIGHTS**

Each Participant will be entitled to vote the number of shares of Common Stock credited to his or her Account (including any fractional shares credited to such Account) on any matter as to which the

approval of the Company's stockholders is sought. If a Participant does not vote or grant a valid proxy with respect to shares credited to his or her Account, such shares will be voted by the Custodian in accordance with any stock exchange or other rules governing the Custodian in the voting of shares held for customer accounts. Similar procedures will apply in the case of any consent solicitation of the Company's stockholders.

### **29. DIVIDEND REINVESTMENT**

Cash dividends on any Common Stock credited to a Participant's Account will be automatically reinvested in additional shares of Common Stock; such amounts will not be available in the form of cash to Participants. All cash dividends paid on Common Stock credited to Participants' Accounts will be paid over by the Company to the Custodian at the dividend payment date. The Custodian will aggregate all purchases of Common Stock in connection with the Plan for a given dividend payment date. Purchases of Common Stock for purposes of dividend reinvestment will be made as promptly as practicable (but not more than thirty (30) days) after a dividend payment date. The Custodian will make such purchases, as directed by the Administrator, either (i) in transactions on any securities exchange upon which Common Stock is traded, otherwise in the over-the-counter market or in negotiated transactions, or (ii) directly from the Company at 100% of the Fair Market Value of a share of Common Stock on the dividend payment date. Any shares of Common Stock distributed as a dividend or distribution in respect of shares of Common Stock or in connection with a split of the Common Stock credited to a Participant's Account will be credited to such Account. In the event of any other non-cash dividend or distribution in respect of Common Stock credited to a Participant's Account, the Custodian will, if reasonably practicable and at the direction of the Administrator, sell any property received in such dividend or distribution as promptly as practicable and use the proceeds to purchase additional shares of Common Stock in the same manner as cash paid over to the Custodian for purposes of dividend reinvestment.

### **30. FRACTIONAL SHARES**

Unless otherwise determined by the Administrator, purchases of Common Stock under the Plan executed by the Custodian may result in the crediting of fractional shares of Common Stock to a Participant's Account. Such fractional shares will be computed to at least three decimal places. Fractional shares will not, however, be issued by the Company, and certificates representing fractional shares will not be delivered to Participants under any circumstances. If at any time fractional shares will not be credited to Participants' Accounts, the Administrator shall determine whether a Participant's payroll deductions remaining after the purchase of the greatest possible number of whole shares on a given purchase date will be refunded or will be retained and applied to purchases in the next Offering Period.

### **31. RULE 16B-3**

Transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3 or any successor provision under the Securities Exchange Act of 1934, as amended. If any provision of the Plan or action by the Board or the Committee fails to so comply, it shall be deemed null and void to the extent permitted by applicable law and deemed advisable by the Board. Moreover, in the event the Plan does not include a provision required by Rule 16b-3 to be stated in this Plan, such provision (other than one relating to eligibility requirements or the price and amount of awards) shall be deemed automatically to be incorporated by reference into the Plan.

### **32. PAYMENT OF PLAN EXPENSES**

The Company will bear all costs of administering and carrying out the Plan.

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**33. GOVERNING LAW.**

The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware (except its choice-of-law provisions) and applicable U.S. federal laws.



**EXECUTIVE EMPLOYMENT AGREEMENT**

This **EXECUTIVE EMPLOYMENT AGREEMENT** (this “*Agreement*”) is entered into as of the 30<sup>th</sup> day of September, 2015 (the “*Execution Date*”), between Briggs W. Morrison, M.D. (“*Executive*”) and **SYNDAX PHARMACEUTICALS, INC.** (the “*Company*”). Certain capitalized terms used in this Agreement are defined in Article 7.

**RECITALS**

**A.** The Company is a biopharmaceutical company.

**B.** The Company desires to employ Executive, or to continue Executive’s employment, in the position set forth below, and Executive wishes to be employed, or continue to be employed, by the Company in such position, upon the terms and conditions set forth in this Agreement.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, the Company and Executive agree as follows:

**ARTICLE 1****PRELIMINARY MATTERS**

**1.1. Prior Agreement.** This Agreement, on its Effective Date, amends, restates and supersedes the Prior Employment Agreement.

**1.2. Effectiveness of Agreement.** This Agreement shall be effective and shall supersede the Prior Employment Agreement concurrently with the Effective Date. Notwithstanding the foregoing, this Agreement shall not become effective, shall be deemed null and void and shall not supersede the Prior Employment Agreement if (i) the Effective Date does not occur prior to December 31, 2016 or (ii) Executive’s employment with the Company is terminated by the Company or by Executive for any reason (including death or disability) prior to the Effective Date. If this Agreement does not become effective, the Prior Employment Agreement shall remain in full force and effect in accordance with its terms.

**ARTICLE 2****TERMS OF EMPLOYMENT**

**2.1. Appointment.** Executive shall serve as the Chief Executive Officer, reporting to the Board. As Chief Executive Officer, Executive will be the most senior officer of the Company and have such duties and responsibilities typically associated with such senior officer. During Executive’s employment with the Company, Executive shall (i) devote substantially all of Executive’s business efforts to the Company, provided, however, that Executive may continue to serve as a managing director of MPM Asset Management, LLC and as a member of corporate boards of directors, so long as such activities do not materially interfere with the discharge of Executive’s duties as Chief Executive Officer, and (ii) faithfully and to the best of Executive’s abilities and experience, and in accordance with the standards and ethics of the business in which the Company is engaged, perform all duties that may be required of Executive by this Agreement, the Company’s policies and procedures, and such other duties and responsibilities as may be assigned to Executive from time to time, as well as the directives of the Board. During Executive’s employment with the Company, Executive shall not engage in any activity that conflicts with or is detrimental to the Company’s best interests, as determined by the Board.

**2.2. Employment Term.** Executive will be employed by the Company on an “at-will” basis. This means that either the Company or Executive may terminate Executive’s employment at any time, for any reason, with or without Cause, and with or without advance notice (provided that Resignation for Good Reason (as defined below) requires certain advanced notice by Executive of Executive’s termination of employment). It also means that Executive’s job title, duties, responsibilities, reporting level, compensation and benefits, as well as the Company’s personnel policies and procedures, may be changed with or without notice at any time in the Company’s sole discretion. This at-will employment relationship shall not be modified by any conflicting actions or representations of any Company employee or other party before or during the term of Executive’s employment.

**2.3. Compensation.**

a) **Annual Base Salary.** Executive’s annual base salary shall be \$501,000 per year (“**Annual Base Salary**”), payable in equal installments, less applicable deductions and withholdings, in accordance with the Company’s standard payroll practices. Upon the IPO, the Annual Base Salary shall be increased to \$531,000. Executive’s Annual Base Salary shall be subject to review by the Company’s compensation committee and may be increased, from time to time.

b) **Benefits.** Executive will be entitled to participate in all of the employee benefits and benefit plans that the Company generally makes available to its full-time employees and executives and for which Executive is eligible in accordance with the Company’s policies as in effect from time to time. These benefits are subject to the terms, conditions, and eligibility requirements that govern or apply to them. Notwithstanding the foregoing, if applicable, the Company shall make a group health plan available to Executive, which provides applicable coverage at both Executive’s permanent residence and Executive’s principal place of employment. From time to time and as the Board deems appropriate, Executive may be eligible to receive options to purchase the Company’s common stock.

c) **Bonus.** In addition to Annual Base Salary, Executive shall be eligible to earn an annual performance bonus of up to forty percent (40%) of Executive’s Annual Base Salary, which bonus shall be earned upon Executive’s attainment of objectives to be determined by the Board (or the compensation committee thereof, as such determination may be delegated by the Board to the compensation committee) and continued employment with the Company as described below (the “**Target Performance Bonus**”). For clarity, it is expected that Executive will propose corporate objectives for each calendar year that will be Executive’s individual performance milestones. The Board will work with Executive to revise and refine these annual corporate objectives until a mutually acceptable set of corporate objectives is approved by the Board. The Board may award Executive a Target Performance Bonus for partial achievement of objectives and may grant Executive a higher bonus for exceptional performance. At Executive’s request, these annual corporate objectives may be revised in the discretion of the Board during the course of the year depending on changed circumstances. The amount of and Executive’s eligibility for the Target Performance Bonus shall be determined in the sole discretion of the Board (or the compensation committee thereof, as such determination may be delegated by the Board to the compensation committee). If earned, any Target Performance Bonus shall be paid to Executive, less authorized deductions and applicable withholdings, on or before the February 15<sup>th</sup> following the calendar year during which such bonus was earned. For the 2015 calendar year, if applicable, the Target Performance Bonus will be pro-rated based on Executive’s June 22, 2015 start date with the Company. Except as provided in Sections 3.2 and 4.2, Executive shall be eligible to earn the Target Performance Bonus only if Executive is actively employed and in good standing with the Company on both the determination and payment dates for the Target Performance Bonus.

d) **Other Compensation.** Upon the IPO, Executive will be eligible to receive a one-time bonus equal to \$100,000. Additionally, upon a successful transaction that leads to a Change in Control with an aggregate purchase price of \$640 million, Executive will be eligible to receive an additional one-time bonus equal to the Annual Base Salary, payable within thirty (30) days following the closing date of such Change in Control.

**2.4. Reimbursement of Expenses.** Subject to Section 5.10(c), the Company shall reimburse Executive for Executive's necessary and reasonable business expenses incurred in connection with Executive's duties in accordance with the Company's generally applicable policies. Executive and the Company acknowledge that Executive will be required to spend a certain amount of time each month at the Company's Waltham headquarters. Accordingly, the Company will reimburse, or pay for, all reasonable expenses incurred by Executive in connection with commuting between the Company's Waltham office and Executive's current principal residence in New Jersey, including Executive's actual and reasonable living expenses incurred in the Waltham area and Executive's actual and reasonable commuting expenses incurred between Waltham and Executive's current principal residence in New Jersey. Executive will not be expected to relocate his residence to Waltham, but should Executive choose to relocate his residence to Waltham, the Company will pay for Executive's relocation. The foregoing provisions of this Section 2.4 are subject to Section 5.10(c).

### ARTICLE 3

#### CHANGE IN CONTROL SEVERANCE BENEFITS

**3.1. Severance Benefits.** Upon a Change in Control Termination, and subject to the limitations and conditions set forth in this Agreement, Executive shall be eligible to receive the benefits set forth in this Article 3. The receipt of any severance payments or benefits pursuant to this Agreement is subject to Executive signing and not revoking a separation agreement and general release of claims (the "**Release**"), in substantially the form attached hereto and incorporated herein as **Exhibit A, Exhibit B** or **Exhibit C**, as appropriate, which Release must become effective and irrevocable no later than the sixtieth (60<sup>th</sup>) day following Executive's termination of employment (the "**Release Deadline Date**"). If the Release does not become effective and irrevocable by the Release Deadline Date, Executive will forfeit any right to any severance payments or benefits under this Agreement. In no event will severance payments or benefits be paid or provided until the Release actually becomes effective and irrevocable.

**3.2. Salary and Pro-Rata Bonus Payment.** In consideration of Executive's execution and non-revocation of the Release by the Release Deadline Date, in a form provided by the Company and in accordance with Article 5, the Company shall pay Executive a severance payment equal to (i) the sum of Executive's Monthly Base Salary and Pro-Rata Bonus multiplied by (ii) the number of months in the Change in Control Severance Period, less applicable withholdings. The severance payment shall be payable (except as set forth in Article 5) in a lump sum on the first regularly-scheduled payroll date occurring on or after the Release Deadline Date.

**3.3. Health Continuation Coverage.**

a) Provided that Executive is eligible and has made the necessary elections for continuation coverage pursuant to COBRA under a health, dental or vision plan sponsored by the Company, the Company shall pay the applicable premiums (inclusive of premiums for Executive's dependents for such health, dental or vision plan coverage as in effect immediately prior to the date of the Change in Control Termination) for such continued health, dental or vision plan coverage following the date of the Change in Control Termination for up to the number of months equal to the Change in Control Benefits Period (but in no event after such time as Executive is eligible for coverage under a health, dental or vision insurance plan of a subsequent employer or as Executive and Executive's dependents are no longer eligible for COBRA coverage); provided that if continued payment by the Company of the applicable premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended, or any statute or regulation of similar effect (including, without limitation, the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health

Care and Education Reconciliation Act), then in lieu of providing such continued payment, the Company will instead pay Executive on the first day of each month a fully taxable cash payment equal to the applicable premiums for that month, subject to applicable tax withholdings, for the remainder of the Change in Control Benefits Period. Such coverage shall be counted as coverage pursuant to COBRA. The Company shall have no obligation in respect of any premium payments (or any other payments in respect of health, dental or vision coverage from the Company) following the effective date of Executive's coverage by a health, dental or vision insurance plan of a subsequent employer. Executive shall be required to notify the Company immediately if Executive becomes covered by a health, dental or vision insurance plan of a subsequent employer. If Executive and Executive's dependents continue coverage pursuant to COBRA following the conclusion of the Change in Control Benefits Period, Executive will be responsible for the entire payment of such premiums required under COBRA for the duration of the COBRA period.

b) For purposes of this Section 3.3, (i) references to COBRA shall be deemed to refer also to analogous provisions of state law, and (ii) any applicable insurance premiums that are paid by the Company shall not include any amounts payable by Executive under a Code Section 125 health care reimbursement plan, which amounts, if any, are the sole responsibility of Executive.

**3.4. Stock Awards.** Upon a Change in Control Termination, (i) the vesting and exercisability of all outstanding options to purchase the Company's common stock (or stock appreciation rights or other rights with respect to the stock of the Company issued pursuant to any equity incentive plan of the Company) that are held by Executive on the Termination Date shall be accelerated in full, (ii) any reacquisition or repurchase rights held by the Company with respect to common stock issued or issuable (or with respect to other rights with respect to the stock of the Company issued or issuable) pursuant to any other stock award granted to Executive pursuant to any equity incentive plan of the Company shall lapse and (iii) the time period that Executive has to exercise any outstanding options to purchase the Company's common stock that are held by Executive on the Termination Date shall be extended for a period equal to the shorter of (A) twelve (12) months or (B) the remaining term of the outstanding option.

## ARTICLE 4

### COVERED TERMINATION SEVERANCE BENEFITS

**4.1. Severance Benefits.** Upon a Covered Termination, and subject to the limitations and conditions set forth in this Agreement, Executive shall be eligible to receive the benefits set forth in this Article 4. The receipt of any severance payments or benefits pursuant to this Agreement is subject to Executive signing and not revoking the appropriate Release, which Release must become effective and irrevocable no later than the Release Deadline Date. If the Release does not become effective and irrevocable by the Release Deadline Date, Executive will forfeit any right to any severance payments or benefits under this Agreement. In no event will severance payments or benefits be paid or provided until the Release actually becomes effective and irrevocable.

**4.2. Salary Payment.** In consideration of Executive's timely execution and non-revocation of a full release of all claims, in a form provided by the Company and in accordance with Article 5, the Company shall pay Executive a severance payment equal to the sum of (i) Executive's Monthly Base Salary multiplied by the number of months in the Covered Termination Severance Period and (ii) the Target Performance Bonus as in effect on the date of a Covered Termination multiplied by the number of days Executive was employed in the year of the Covered Termination divided by the total number of days in such year, less applicable withholdings. The severance payment shall be payable (except as set forth in Article 5) in a lump sum on the first regularly-scheduled payroll date occurring on or after the Release Deadline Date.

#### 4.3. Health Continuation Coverage.

a) Provided that Executive is eligible and has made the necessary elections for continuation coverage pursuant to COBRA under a health, dental or vision plan sponsored by the Company, the Company shall pay for the applicable premiums (inclusive of premiums for Executive's dependents for such health, dental or vision plan coverage as in effect immediately prior to the date of the Covered Termination) for such continued health, dental or vision plan coverage following the date of the Covered Termination for up to the number of months equal to the Covered Termination Benefits Period (but in no event after such time as Executive is eligible for coverage under a health, dental or vision insurance plan of a subsequent employer or as Executive and Executive's dependents are no longer eligible for COBRA coverage); provided that if continued payment by the Company of the applicable premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended, or any statute or regulation of similar effect (including, without limitation, the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing such continued payment, the Company will instead pay Executive on the first day of each month a fully taxable cash payment equal to the applicable premiums for that month, subject to applicable tax withholdings, for the remainder of the Covered Termination Benefits Period. Such coverage shall be counted as coverage pursuant to COBRA. The Company shall have no obligation in respect of any premium payments (or any other payments in respect of health, dental or vision coverage from the Company) following the effective date of Executive's coverage by a health, dental or vision insurance plan of a subsequent employer. Executive shall be required to notify the Company immediately if Executive becomes covered by a health, dental or vision insurance plan of a subsequent employer. If Executive and Executive's dependents continue coverage pursuant to COBRA following the conclusion of the Covered Termination Benefits Period, Executive will be responsible for the entire payment of such premiums required under COBRA for the duration of the COBRA period.

b) For purposes of this Section 4.3, (i) references to COBRA shall be deemed to refer also to analogous provisions of state law, and (ii) any applicable insurance premiums that are paid by the Company shall not include any amounts payable by Executive under a Code Section 125 health care reimbursement plan, which amounts, if any, are the sole responsibility of Executive.

#### 4.4. Stock Awards. Upon a Covered Termination:

a) the vesting and exercisability of all outstanding options to purchase the Company's common stock (or stock appreciation rights or other rights with respect to the stock of the Company issued pursuant to any equity incentive plan of the Company) that are held by Executive on the Termination Date shall be accelerated as to the number of shares of common stock issuable upon exercise of such option ("**Option Shares**") as equals the number of Option Shares as would otherwise vest during the twelve (12) month period following the Termination Date in accordance with the applicable options' vesting schedule were the Executive to remain an employee of the Company during such twelve (12) month period (disregarding any other basis for acceleration of vesting of Option Shares during such twelve (12) month period);

b) any reacquisition or repurchase rights held by the Company with respect to common stock issued or issuable (or with respect to other rights with respect to the stock of the Company issued or issuable) pursuant to any option to purchase the Company's common stock (or stock appreciation rights or other rights with respect to the stock of the Company) ("**Restricted Shares**") held by the Executive as of the Termination Date shall lapse as to the number of Restricted Shares as equals the number of Restricted Shares as to which such reacquisition or repurchase rights would otherwise lapse during the twelve (12) month period following the Termination Date in accordance with the option's vesting schedule were the Executive to remain an employee of the Company during such twelve (12) month period (disregarding any other basis for acceleration of the lapsing of such reacquisition or repurchase rights on Restricted Shares during such twelve (12) month period); and

c) the time period that Executive has to exercise any outstanding options to purchase the Company's common stock that are held by Executive on the Termination Date shall be extended for a period equal to the shorter of (A) twelve (12) months or (B) the remaining term of the outstanding option.

## ARTICLE 5

### LIMITATIONS AND CONDITIONS ON BENEFITS

**5.1. Rights Conditioned on Compliance.** Executive's rights to receive all severance benefits described in Article 3 and Article 4 shall be conditioned upon and subject to Executive's compliance with the limitations and conditions on benefits as described in this Article 5.

**5.2. Continuation of Service Until Date of Termination.** Executive shall continue to provide service to the Company in good faith until the Termination Date, unless such performance is otherwise excused in writing by the Company.

**5.3. Release Prior to Payment of Benefits.** Upon the occurrence of a Change in Control Termination or a Covered Termination, as applicable, and prior to Executive earning any entitlement to any severance or separation benefits under this Agreement on account of such Change in Control Termination or Covered Termination, as applicable, Executive must execute the appropriate Release, and such Release must become effective in accordance with its terms, but in no event later than the Release Deadline Date. No amount shall be paid prior to such date. Instead, on the first regularly-scheduled payroll date occurring on or after the Release Deadline Date, the Company will pay Executive the severance amount that Executive would otherwise have received on or prior to such date but for the delay in payment related to the effectiveness of the Release, with the balance of the severance amount being paid as originally scheduled. The Company may modify the Release in its discretion to comply with changes in applicable law at any time prior to Executive's execution of such Release. Such Release shall specifically relate to all of Executive's rights and claims in existence at the time of such execution and shall confirm Executive's obligations under the Confidentiality Agreement and any similar obligations under applicable law. It is understood that, as specified in the applicable Release, Executive has a certain number of calendar days to consider whether to execute such Release. If Executive does not execute and deliver such Release within the applicable period, no benefits shall be provided or payable under this Agreement, and Executive shall have no further rights, title or interests in or to any severance benefits or payments pursuant to this Agreement. It is further understood that if Executive is age 40 or older at the time of a Change in Control Termination or a Covered Termination, as applicable, Executive may revoke the applicable Release within seven (7) calendar days after its execution by Executive. If Executive revokes such Release within such subsequent seven (7) day period, no benefits shall be provided or payable under this Agreement pursuant to such Change in Control Termination or Covered Termination, as applicable.

**5.4. Return of Company Property.** Not later than the Termination Date, Executive shall return to the Company all documents (and all copies thereof) and other property belonging to the Company that Executive has in his or her possession or control. The documents and property to be returned include, but are not limited to, all files, correspondence, email, memoranda, notes, notebooks, records, plans, forecasts, reports, studies, analyses, compilations of data, proposals, agreements, financial information, research and development information, marketing information, operational and personnel information, databases, computer-recorded information, tangible property and equipment (including, but not limited to, computers, facsimile machines, mobile telephones and servers), credit cards, entry cards, identification badges and keys, and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions thereof in whole or in part). Executive agrees to make a diligent search to locate any such documents, property and information. If Executive has used any personally owned computer, server or e-mail system to receive, store, review, prepare or

transmit any Company confidential or proprietary data, materials or information, then within ten (10) business days after the Termination Date, Executive shall provide the Company with a computer-useable copy of all such information and then permanently delete and expunge such confidential or proprietary information from those systems. Executive agrees to provide the Company access to Executive's system as requested to verify that the necessary copying and/or deletion is done.

#### 5.5. Cooperation and Continued Compliance with Restrictive Covenants.

a) From and after the Termination Date, Executive shall cooperate fully with the Company in connection with its actual or contemplated defense, prosecution or investigation of any existing or future litigation, arbitrations, mediations, claims, demands, audits, government or regulatory inquiries, or other matters arising from events, acts or failures to act that occurred during the time period in which Executive was employed by the Company (including any period of employment with an entity acquired by the Company). Such cooperation includes, without limitation, being available upon reasonable notice, without subpoena, to provide accurate and complete advice, assistance and information to the Company, including offering and explaining evidence, providing truthful and accurate sworn statements, and participating in discovery and trial preparation and testimony. Executive also agrees to promptly send the Company copies of all correspondence (for example, but not limited to, subpoenas) received by Executive in connection with any such legal proceedings, unless Executive is expressly prohibited by law from so doing. The Company will reimburse Executive for reasonable out-of-pocket expenses incurred in connection with any such cooperation (excluding foregone wages, salary or other compensation) within thirty (30) days of Executive's timely presentation of appropriate documentation thereof, in accordance with the Company's standard reimbursement policies and procedures, and will make reasonable efforts to accommodate Executive's scheduling needs.

b) From and after the Termination Date, Executive shall continue to abide by all of the terms and provisions of the Confidentiality Agreement (and any other comparable agreement signed by Executive), in accordance with its terms.

c) Executive agrees that the choice of law and choice of forum provisions in Section 10.10 of the Confidentiality Agreement shall be amended to conform to the choice of law and choice of forum provisions in Section 8.11 of this Agreement. No other terms of the Confidentiality Agreement are amended by this Agreement, and the Confidentiality Agreement remains in full force and effect.

d) Executive acknowledges and agrees that Executive's obligations under this Section 5.5 are an essential part of the consideration Executive is providing hereunder in exchange for which and in reliance upon which the Company has agreed to provide the payments and benefits under this Agreement. Executive further acknowledges and agrees that Executive's violation of this Section 5.5 inevitably would involve use or disclosure of the Company's proprietary and confidential information. Accordingly, Executive agrees that Executive will forfeit, effective as of the date of any breach, any right, entitlement, claim or interest in or to any unpaid portion of the severance payments or benefits provided in Article 3 or Article 4. If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 5.5 is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state.

#### 5.6. Parachute Payments.

a) **Parachute Payment Limitation.** If any payment or benefit (including payments and benefits pursuant to this Agreement) Executive would receive in connection with a Change in Control from the Company or otherwise ("**Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this paragraph, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then the Company shall cause to be determined, before

any amounts of the Payment are paid to Executive, which of the following two alternative forms of payment shall be paid to Executive: (A) payment in full of the entire amount of the Payment (a “**Full Payment**”), or (B) payment of only a part of the Payment so that Executive receives the largest payment possible without the imposition of the Excise Tax (a “**Reduced Payment**”). A Full Payment shall be made in the event that the amount received by Executive on a net after-tax basis is greater than what would be received by Executive on a net after-tax basis if the Reduced Payment were made, otherwise a Reduced Payment shall be made. If a Reduced Payment is made, (i) the Payment shall be paid only to the extent permitted under the Reduced Payment alternative, and Executive shall have no rights to any additional payments and/or benefits constituting the Payment, and (ii) reduction in payments and/or benefits shall occur in the following order: (A) reduction of cash payments; (B) cancellation of accelerated vesting of equity awards other than stock options; (C) cancellation of accelerated vesting of stock options; and (D) reduction of other benefits paid to Executive. In the event that acceleration of compensation from Executive’s equity awards is to be reduced, such acceleration of vesting shall be canceled in the reverse order of the date of grant.

b) The independent registered public accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in Control shall make all determinations required to be made under this Section 5.6. If the independent registered public accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Company shall appoint a nationally recognized independent registered public accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such independent registered public accounting firm required to be made hereunder.

c) The independent registered public accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and Executive within fifteen (15) calendar days after the date on which Executive’s right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as requested by the Company or Executive. If the independent registered public accounting firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it shall furnish the Company and Executive with an opinion reasonably acceptable to Executive that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive.

**5.7. Certain Reductions and Offsets.** To the extent that any federal, state or local laws, including, without limitation, the Worker Adjustment and Retraining Notification Act or any other so-called “plant closing” laws, require the Company to give advance notice or make a payment of any kind to Executive because of Executive’s involuntary termination due to a layoff, reduction in force, plant or facility closing, sale of business, change in control or any other similar event or reason, the benefits payable under this Agreement shall be correspondingly reduced. The benefits provided under this Agreement are intended to satisfy any and all statutory obligations that may arise out of Executive’s involuntary termination of employment for the foregoing reasons, and the parties shall construe and enforce the terms of this Agreement accordingly.

**5.8. Mitigation.** Except as otherwise specifically provided herein, Executive shall not be required to mitigate damages or the amount of any payment provided under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as a result of employment by another employer or by any retirement benefits received by Executive after the date of a Change in Control Termination or Covered Termination (except as expressly provided in Sections 3.3 and 4.3 above).



**5.9. Indebtedness of Executive.** If Executive is indebted to the Company on the effective date of a Change in Control Termination or Covered Termination, the Company reserves the right to offset any severance payments and benefits under this Agreement by the amount of such indebtedness.

**5.10. Application of Section 409A.**

a) **Separation from Service.** Notwithstanding any provision to the contrary in this Agreement, no amount deemed deferred compensation subject to Section 409A of the Code shall be payable pursuant to Article 3 or Article 4 unless Executive's termination of employment constitutes a "separation from service" with the Company within the meaning of Section 409A of the Code and the Department of Treasury Regulations and other guidance promulgated thereunder and, except as provided under Section 5.10(b) hereof, any such amount shall not be paid, or in the case of installments, commence payment, until the first regularly-scheduled payroll date occurring on or after the sixtieth (60<sup>th</sup>) day following Executive's separation from service. Any installment payments that would have been made to Executive during the sixty (60) day period immediately following Executive's separation from service but for the preceding sentence shall be paid to Executive on the first regularly-scheduled payroll date occurring on or after the sixtieth (60<sup>th</sup>) day after Executive's separation from service and the remaining payments shall be made as provided in this Agreement.

b) **Specified Executive.** Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed at the time of his or her separation from service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of Executive's "separation from service" with the Company (as such term is defined in the Treasury Regulations issued under Section 409A of the Code) or (ii) the date of Executive's death. Upon the first business day following the expiration of the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section 5.10(b) shall be paid in a lump sum to Executive, and any remaining payments due under this Agreement shall be paid as otherwise provided herein.

c) **Expense Reimbursements.** To the extent that any reimbursement payable pursuant to this Agreement is subject to the provisions of Section 409A of the Code, any such reimbursement payable to Executive pursuant to this Agreement shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred; the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year; and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

d) **Installments.** For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment.

**5.11. Tax Withholding.** All payments under this Agreement shall be subject to applicable withholding for federal, state and local income and employment taxes.

**5.12. No Duplication of Severance Benefits.** The severance and other benefits provided in Article 3 and Article 4 are mutually exclusive of each other, and in no event shall Executive receive any severance or other benefits pursuant to both Article 3 and Article 4.

## ARTICLE 6

### TERMINATION WITH CAUSE OR BY VOLUNTARY RESIGNATION; OTHER RIGHTS AND BENEFITS

**6.1. Termination for Cause by the Company.** If the Company shall terminate the Executive's employment with the Company for Cause, then upon such termination, the Company shall have no further obligation to Executive hereunder except for the payment or provision, as applicable, of (i) the portion of the Annual Base Salary for the period prior to the effective date of termination earned but unpaid (if any), (ii) all unreimbursed expenses (if any), subject to Sections 2.4 and 5.10(c), and (iii) other payments, entitlements or benefits, if any, in accordance with terms of the applicable plans, programs, arrangements or other agreements of the Company (other than any severance plan or policy) as to which the Executive held rights to such payments, entitlements or benefits, whether as a participant, beneficiary or otherwise on the date of termination ("**Other Benefits**"). For the avoidance of doubt, Executive shall have no right to receive (and Other Benefits shall not include) any amounts under any Company severance plan or policy or pursuant to Article 3 or Article 4 upon Executive's termination for Cause.

**6.2. Termination by Voluntary Resignation by the Executive (other than Resignation for Good Reason).** Upon any voluntary resignation by Executive that is not a Resignation for Good Reason, the Company shall have no further obligation to the Executive hereunder except for the payment of (i) the portion of the Annual Base Salary for the period prior to the effective date of termination earned but unpaid (if any), (ii) all unreimbursed expenses (if any), subject to Section 2.4 and Section 5.10(c), and (iii) the payment or provision of any Other Benefits. For the avoidance of doubt, Executive shall have no right to receive (and Other Benefits shall not include) any amounts under any Company severance plan or policy or pursuant to Article 3 or Article 4 upon any voluntary resignation by Executive that is not a Resignation for Good Reason.

**6.3. Other Rights and Benefits.** Nothing in this Agreement shall prevent or limit Executive's continuing or future participation in any benefit, bonus, incentive or other plans, programs, policies or practices provided by the Company and for which Executive may otherwise qualify, nor shall anything herein limit or otherwise affect such rights as Executive may have under other agreements with the Company except as provided in Article 1, Article 5, Section 6.1 and Section 6.2 above. Except as otherwise expressly provided herein, amounts that are vested benefits or that Executive is otherwise entitled to receive under any plan, policy, practice or program of the Company at or subsequent to the date of a Change in Control shall be payable in accordance with such plan, policy, practice or program.

## ARTICLE 7

### DEFINITIONS

Unless otherwise provided, for purposes of this Agreement, the following definitions shall apply:

**7.1. "Board"** means the Board of Directors of the Company.

**7.2. "Cause"** means, upon a reasonable determination by the Company, Executive's: (i) dishonest statements or acts with respect to the Company, any subsidiary or any affiliate of the Company, which has the effect of materially injuring (whether financially or otherwise) the business or reputation of the Company; (ii) conviction of or indictment for (A) a felony or (B) any misdemeanor (excluding minor traffic violations) involving moral turpitude, deceit, dishonesty or fraud ("indictment," for these purposes, meaning an indictment, probable cause hearing or any other procedure pursuant to which an initial determination of probable or reasonable cause with respect to such offense is made); (iii) gross negligence, willful misconduct or insubordination with respect to the Company or any

subsidiary or any affiliate of the Company; or (iv) material breach of any of Executive's obligations under any agreement to which Executive and the Company or any subsidiary are a party. With respect to clause (iv), Executive will be given notice and a 30-day period in which to cure such breach, only to the extent such breach can be reasonably expected to be able to be cured within such period. Executive agrees that the breach of any confidentiality obligation to the Company or any subsidiary shall not be curable to any extent.

7.3. "**Change in Control**" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

a) Any natural person, entity or group within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended ("**Exchange Act Person**"), becomes the owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur (i) on account of the acquisition of securities of the Company by any institutional investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions that are primarily a private financing transaction for the Company or (ii) solely because the level of ownership held by any Exchange Act Person (the "**Subject Person**") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities owned by the Subject Person over the designated percentage threshold, then a Change in Control shall be deemed to occur;

b) There is consummated a merger, consolidation or similar transaction involving, directly or indirectly, the Company if, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not own, directly or indirectly, either (i) outstanding voting securities representing more than fifty percent (50%) of the combined outstanding voting power of the surviving entity in such merger, consolidation or similar transaction or (ii) more than fifty percent (50%) of the combined outstanding voting power of the parent of the surviving entity in such merger, consolidation or similar transaction;

c) The stockholders of the Company approve or the Board approves a plan of complete dissolution or liquidation of the Company, or a complete dissolution or liquidation of the Company shall otherwise occur; or

d) There is consummated a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportion as their ownership of the Company immediately prior to such sale, lease, license or other disposition.

The term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company. Notwithstanding the foregoing or any other provision of this Agreement, the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any affiliate and the participant shall supersede the foregoing definition with respect to stock awards subject to such agreement (it being understood, however, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply).

7.4. “**Change in Control Benefits Period**” means the period of eighteen (18) months commencing on the Termination Date.

7.5. “**Change in Control Severance Period**” means the period of twelve (12) months commencing on the Termination Date.

7.6. “**Change in Control Termination**” means an “**Involuntary Termination Without Cause**” or “**Resignation for Good Reason**,” either of which occurs on, or within three (3) months prior to, or within twelve (12) months following, the effective date of a Change in Control, provided that any such termination is a “separation from service” within the meaning of Treasury Regulation Section 1.409A-1(h). Death and disability shall not be deemed Change in Control Terminations.

7.7. “**COBRA**” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

7.8. “**Code**” means the Internal Revenue Code of 1986, as amended.

7.9. “**Company**” means Syndax Pharmaceuticals, Inc. or, following a Change in Control, the surviving entity resulting from such transaction, or any subsequent surviving entity resulting from any subsequent Change in Control.

7.10. “**Confidentiality Agreement**” means Executive’s Assignment of Developments, Non-Disclosure and Non-Solicitation Agreement with the Company, dated June 22, 2015 (or any successor agreement thereto).

7.11. “**Covered Termination**” means an “**Involuntary Termination Without Cause**” or “**Resignation for Good Reason**,” provided that any such termination is a “separation from service” within the meaning of Treasury Regulation Section 1.409A-1(h). Death and disability shall not be deemed Covered Terminations. If an Involuntary Termination Without Cause or Resignation for Good Reason qualifies as a Change in Control Termination, it shall not constitute a Covered Termination.

7.12. “**Covered Termination Benefits Period**” means the period of eighteen (18) months commencing on the Termination Date.

7.13. “**Covered Termination Severance Period**” means the period of twelve (12) months commencing on the Termination Date.

7.14. “**Effective Date**” means the effective date of the first registration statement filed by the Company to register shares of its common stock for sale to the public through one or more underwriters.

7.15. “**Involuntary Termination Without Cause**” means Executive’s dismissal or discharge by the Company for reasons other than Cause and other than as a result of death or disability.

7.16. “**IPO**” means the consummation of the Company’s first underwritten initial public offering of the Company’s common stock under the Securities Act of 1933, as amended, that results in such common stock being listed for trading on a national securities exchange or an over the counter market.

7.17. “**Monthly Base Salary**” means 1/12<sup>th</sup> of the greater of (i) Executive’s annual base salary (excluding incentive pay, premium pay, commissions, overtime, bonuses and other forms of variable compensation) as in effect on the date of a Change in Control Termination or a Covered Termination, as applicable, or (ii) in the case of a Change in Control Termination, Executive’s annual base salary (excluding incentive pay, premium pay, commissions, overtime, bonuses and other forms of variable compensation) as in effect on the date of a Change in Control.

7.18. "**Prior Employment Agreement**" means that certain offer letter agreement, between the Company and Executive, dated June 5, 2015.

7.19. "**Pro-Rata Bonus**" means 1/12<sup>th</sup> of the greater of (i) the average Target Performance Bonus paid to Executive for the three years preceding the date of a Change in Control Termination (or such lesser number of years during which Executive has been employed by the Company), or (ii) the Target Performance Bonus, as in effect on the date of a Change in Control Termination.

7.20. "**Resignation for Good Reason**" means Executive's resignation from all employee positions Executive then holds with the Company within sixty (60) days following any of the following events taken without Executive's consent, provided Executive has given the Company written notice of such event within thirty (30) days after the first occurrence of such event and the Company has not cured such event within thirty (30) days thereafter:

a) A decrease in Executive's total target cash compensation (base and bonus) of more than 10% (i.e., a material reduction in Executive's base compensation and a material breach by the Company of Executive's employment terms with the Company), other than in connection with a comparable decrease in compensation for all comparable executives of the Company;

b) Executive's duties, authority or responsibilities are materially diminished (not simply a change in title or reporting relationships);

c) A material breach by the Company of the terms of the Agreement;

d) Either (i) Executive is required to establish residence in a location more than 50 miles from Executive's current principal personal residence or (ii) there is an increase in Executive's round-trip driving distance of more than fifty (50) miles from Executive's current principal personal residence to the principal office or business location at which Executive is required to perform services (except for required business travel to the extent consistent with Executive's prior business travel obligations) ("**Executive's Principal Place of Business**") as a result of a change in location by the Company of Executive's Principal Place of Business; provided however, that the foregoing shall not include the establishment of a secondary residence within fifty (50) miles from the Company's Waltham headquarters with Executive's consent or any commute between Executive's current principal personal residence and the Company's Waltham headquarters; or

e) The failure of the Company to obtain a satisfactory agreement from any successor to materially assume and materially agree to perform under the terms of this Agreement.

7.21. "**Termination Date**" means the effective date of the Change in Control Termination, the Covered Termination or a termination for Cause, as applicable.

## ARTICLE 8

### GENERAL PROVISIONS

8.1. **Employment Status.** This Agreement does not constitute a contract of employment or impose upon Executive any obligation to remain as an employee, or impose on the Company any obligation (i) to retain Executive as an employee, (ii) to change the status of Executive as an at-will employee or (iii) to change the Company's policies regarding termination of employment.

**8.2. Notices.** Any notices provided hereunder must be in writing, and such notices or any other written communication shall be deemed effective upon the earlier of personal delivery (including personal delivery by facsimile) or the third day after mailing by first class mail, to the Company at its primary office location and to Executive at Executive's address as listed in the Company's payroll records. Any payments made by the Company to Executive under the terms of this Agreement shall be delivered to Executive either in person or at the address as listed in the Company's payroll records.

**8.3. Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

**8.4. Waiver.** If either party should waive any breach of any provisions of this Agreement, he, she or it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

**8.5. Complete Agreement.** This Agreement, including **Exhibit A**, **Exhibit B** and **Exhibit C**, and the Confidentiality Agreement constitute the entire agreement between Executive and the Company and is the complete, final and exclusive embodiment of their agreement with regard to this subject matter, wholly superseding all written and oral agreements with respect to payments and benefits to Executive in the event of employment termination. It is entered into without reliance on any promise or representation other than those expressly contained herein.

**8.6. Amendment or Termination of Agreement; Continuation of Agreement.** This Agreement may be changed or terminated only upon the mutual written consent of the Company and Executive. The written consent of the Company to a change or termination of this Agreement must be signed by an executive officer of the Company (other than Executive) after such change or termination has been approved by the Board. Unless so terminated, this Agreement shall continue in effect for as long as Executive continues to be employed by the Company or by any surviving entity following any Change in Control. In other words, if, following a Change in Control, Executive continues to be employed by the surviving entity without a Change in Control Termination and the surviving entity then undergoes a Change in Control, following which Executive is terminated by the subsequent surviving entity in a Change in Control Termination, then Executive shall receive the benefits described in Article 3 hereof.

**8.7. Counterparts.** This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

**8.8. Headings.** The headings of the Articles and Sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

**8.9. Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive, and the Company, and any surviving entity resulting from a Change in Control and upon any other person who is a successor by merger, acquisition, consolidation or otherwise to the business formerly carried on by the Company, and their respective successors, assigns, heirs, executors and administrators, without regard to whether or not such person actively assumes any rights or duties hereunder; provided, however, that Executive may not assign any duties hereunder and may not assign any rights hereunder without the written consent of the Company, which consent shall not be withheld unreasonably.

**8.10. Choice of Law.** Because of the Company's and Executive's interests in ensuring that disputes regarding this Agreement are resolved on a uniform basis, the parties agree that all questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of New York, without regard for any conflict of law principles. Further, the parties consent to the jurisdiction of the state and federal courts of the State of New York for all purposes in connection with this Agreement. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which Executive or the Company may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute.

**8.11. Arbitration.** To ensure the rapid and economical resolution of any disputes that may arise under or relate to this Agreement or Executive's employment relationship, Executive and the Company agree that any and all disputes, claims, or causes of action, in law or equity, arising from or relating to the performance, enforcement, execution, or interpretation of this Agreement, Executive's employment with the Company, or the termination of Executive's employment (collectively, "Claims"), shall be resolved to the fullest extent permitted by law, by final, binding, and (to the extent permitted by law) confidential arbitration before a single arbitrator in the state where Executive is employed. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Section 1 *et seq.*, as amended, and shall be administered by the Judicial Arbitration & Mediation Services, Inc. ("JAMS"), in accordance with its then-current Employment Arbitration Rules & Procedures (the "JAMS Rules"). The JAMS Rules are also available online at <http://www.jamsadr.com/rules-employment-arbitration/>. The parties or their representatives may also call JAMS at 800.352.5267 if they have questions about the arbitration process. If the JAMS Rules are inconsistent with the terms of this Agreement, the terms of this Agreement shall govern. Notwithstanding the foregoing, this provision shall exclude Claims that by law are not subject to arbitration. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of all Claims and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision including the arbitrator's essential findings and conclusions and a statement of the award. The Company shall pay all JAMS fees in excess of the amount of filing and other court-related fees Executive would have been required to pay if the Claims were asserted in a court of law. EXECUTIVE AND THE COMPANY UNDERSTAND AND FULLY AGREE THAT BY ENTERING INTO THIS AGREEMENT, BOTH EXECUTIVE AND THE COMPANY ARE GIVING UP THE CONSTITUTIONAL RIGHT TO HAVE A TRIAL BY JURY, AND ARE GIVING UP THE NORMAL RIGHTS OF APPEAL FOLLOWING THE RENDERING OF A DECISION, EXCEPT AS THE FEDERAL ARBITRATION ACT AND APPLICABLE FEDERAL LAW ALLOW FOR JUDICIAL REVIEW OF ARBITRATION PROCEEDINGS. Nothing in this Agreement shall prevent either Executive or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or final orders in such arbitrations may be entered and enforced as judgments or orders in the federal and state courts of any competent jurisdiction in compliance with Section 8.11 of this Agreement.

**8.12. Construction of Agreement.** In the event of a conflict between the text of this Agreement and any summary, description or other information regarding this Agreement, the text of this Agreement shall control.

**8.13. Circular 230 Disclaimer.** THE FOLLOWING DISCLAIMER IS PROVIDED IN ACCORDANCE WITH THE INTERNAL REVENUE SERVICE'S CIRCULAR 230 (21 C.F.R. PART 10). ANY TAX ADVICE CONTAINED IN THIS AGREEMENT IS INTENDED TO BE PRELIMINARY, FOR DISCUSSION PURPOSES ONLY AND NOT FINAL. ANY SUCH ADVICE IS NOT INTENDED TO BE USED FOR MARKETING, PROMOTING OR RECOMMENDING ANY TRANSACTION OR FOR THE USE OF ANY PERSON IN CONNECTION WITH THE PREPARATION OF ANY TAX RETURN. ACCORDINGLY, THIS ADVICE IS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED, BY ANY PERSON FOR THE PURPOSE OF AVOIDING TAX PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON.

IN WITNESS WHEREOF, the parties have executed this Agreement on the Execution Date written above.

**SYNDAX PHARMACEUTICALS, INC.**

**EXECUTIVE**

By: /s/ Dennis G. Podlesak  
Name: Dennis G. Podlesak  
Title: Chairman of the Board

By: /s/ Briggs W. Morrison  
Name: Briggs W. Morrison, M.D.

Exhibit A: Release (Individual Termination – Age 40 or Older)

Exhibit B: Release (Individual and Group Termination – Under Age 40)

Exhibit C: Release (Group Termination – Age 40 or Older)



**EXHIBIT A**

**RELEASE**

**(INDIVIDUAL TERMINATION – AGE 40 OR OLDER)**

Certain capitalized terms used in this Release are defined in the Executive Employment Agreement (the “**Agreement**”) which I have executed and of which this Release is a part.

I hereby confirm my obligations under the Confidentiality Agreement (or other comparable agreement that I have signed, if any).

Except as otherwise set forth in this Release, I hereby release, acquit and forever discharge the Company, its parents and subsidiaries, and their officers, directors, agents, servants, employees, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys’ fees, damages, indemnities and obligations of every kind and nature, in law, equity or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed (other than any claim for indemnification I may have as a result of any third party action against me based on my employment with the Company), arising out of or in any way related to agreements, events, acts or conduct at any time prior to the date I execute this Release, including, but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with my employment with the Company or the termination of that employment, including, but not limited to, claims of intentional and negligent infliction of emotional distress, any and all tort claims for personal injury, claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; and claims pursuant to any federal, state or local law or cause of action including, but not limited to, the federal Civil Rights Act of 1964, as amended, the federal Age Discrimination in Employment Act of 1967, as amended (“**ADEA**”), the federal Employee Retirement Income Security Act of 1974, as amended, the federal Americans with Disabilities Act of 1990, the California Fair Employment and Housing Act, as amended, the New York City Human Rights Law, as amended, the Massachusetts Fair Employment Practices Law, as amended, the South Carolina Human Affairs Law, as amended, tort law, contract law, wrongful discharge, discrimination, fraud, defamation, emotional distress, and breach of the implied covenant of good faith and fair dealing; provided, however, that nothing in this paragraph shall be construed in any way to (1) release the Company from its obligation to indemnify me pursuant to the Company’s indemnification obligation pursuant to written agreement or applicable law; (2) release any claim by me against the Company relating to the validity or enforceability of this release or the Agreement; (3) prohibit me from exercising any non-waivable right to file a charge with the United States Equal Employment Opportunity Commission (“**EEOC**”), the National Labor Relations Board (“**NLRB**”), or any other government agency (provided, however, that I shall not be entitled to recover any monetary damages or to obtain non-monetary relief if the agency were to pursue any claims relating to my employment with the Company).

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have to assert claims for age discrimination under applicable law, including under the ADEA. I also acknowledge that the consideration given under the Agreement for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (A) my waiver and release do not apply to any rights or claims that may arise on or after the date I execute this Release; (B) I have the right to consult with an attorney prior to executing this Release; (C) I have twenty-one (21) days to consider this Release (although I may choose to voluntarily execute this Release earlier); (D) I have seven (7) days following my execution of this Release to revoke the Release by providing a written notice of revocation to the Company’s Chief Executive Officer; and (E) this Release shall not be effective until the date upon which the revocation period has expired, which shall be the eighth (8th) day after I execute this Release (provided that I do not revoke it).

I hereby represent that I have been paid all compensation owed and for all hours worked, I have received all the leave and leave benefits and protections for which I am eligible, pursuant to the federal Family and Medical Leave Act, any Company policy or applicable law, and I have not suffered any on-the-job injury or illness for which I have not already filed a workers' compensation claim.

I agree that I will not make any disparaging statements regarding the Company or its officers, directors, shareholders, members, agents or products jointly or severally. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

**EXECUTIVE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date:

**EXHIBIT B**

**RELEASE**

**(INDIVIDUAL AND GROUP TERMINATION – UNDER AGE 40)**

Certain capitalized terms used in this Release are defined in the Executive Employment Agreement (the “**Agreement**”) which I have executed and of which this Release is a part.

I hereby confirm my obligations under the Confidentiality Agreement (or other comparable agreement that I have signed, if any).

Except as otherwise set forth in this Release, I hereby release, acquit and forever discharge the Company, its parents and subsidiaries, and their officers, directors, agents, servants, employees, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys’ fees, damages, indemnities and obligations of every kind and nature, in law, equity or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed (other than any claim for indemnification I may have as a result of any third party action against me based on my employment with the Company), arising out of or in any way related to agreements, events, acts or conduct at any time prior to the date I execute this Release, including, but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with my employment with the Company or the termination of that employment, including, but not limited to, claims of intentional and negligent infliction of emotional distress, any and all tort claims for personal injury, claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; and claims pursuant to any federal, state or local law or cause of action including, but not limited to, the federal Civil Rights Act of 1964, as amended, the federal Employee Retirement Income Security Act of 1974, as amended, the federal Americans with Disabilities Act of 1990, the California Fair Employment and Housing Act, as amended, the New York City Human Rights Law, as amended, the Massachusetts Fair Employment Practices Law, as amended, the South Carolina Human Affairs Law, as amended, tort law, contract law, wrongful discharge, discrimination, fraud, defamation, emotional distress, and breach of the implied covenant of good faith and fair dealing; provided, however, that nothing in this paragraph shall be construed in any way to (1) release the Company from its obligation to indemnify me pursuant to the Company’s indemnification obligation pursuant to written agreement or applicable law; (2) release any claim by me against the Company relating to the validity or enforceability of this release or the Agreement; (3) prohibit me from exercising any non-waivable right to file a charge with the United States Equal Employment Opportunity Commission (“EEOC”), the National Labor Relations Board (“NLRB”), or any other government agency (provided, however, that I shall not be entitled to recover any monetary damages or to obtain non-monetary relief if the agency were to pursue any claims relating to my employment with the Company).

I acknowledge that the consideration given under the Agreement for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing that: (A) my waiver and release do not apply to any rights or claims that may arise on or after the date I execute this Release; (B) I have the right to consult with an attorney prior to executing this Release; and (C) I have twenty-one (21) days to consider this Release (although I may choose to voluntarily execute this Release earlier).

I hereby represent that I have been paid all compensation owed and for all hours worked, I have received all the leave and leave benefits and protections for which I am eligible, pursuant to the federal Family and Medical Leave Act, any Company policy or applicable law, and I have not suffered any on-the-job injury or illness for which I have not already filed a workers’ compensation claim.

I agree that I will not make any disparaging statements regarding the Company or its officers, directors, shareholders, members, agents or products jointly or severally. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

**EXECUTIVE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date:

EXHIBIT C

RELEASE

(GROUP TERMINATION – AGE 40 OR OLDER)

Certain capitalized terms used in this Release are defined in the Executive Employment Agreement (the “**Agreement**”) which I have executed and of which this Release is a part.

I hereby confirm my obligations under the Confidentiality Agreement (or other comparable agreement that I have signed, if any).

Except as otherwise set forth in this Release, I hereby release, acquit and forever discharge the Company, its parents and subsidiaries, and their officers, directors, agents, servants, employees, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys’ fees, damages, indemnities and obligations of every kind and nature, in law, equity or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed (other than any claim for indemnification I may have as a result of any third party action against me based on my employment with the Company), arising out of or in any way related to agreements, events, acts or conduct at any time prior to the date I execute this Release, including, but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with my employment with the Company or the termination of that employment, including, but not limited to, claims of intentional and negligent infliction of emotional distress, any and all tort claims for personal injury, claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; and claims pursuant to any federal, state or local law or cause of action including, but not limited to, the federal Civil Rights Act of 1964, as amended, the federal Age Discrimination in Employment Act of 1967, as amended (“**ADEA**”), the federal Employee Retirement Income Security Act of 1974, as amended, the federal Americans with Disabilities Act of 1990, the California Fair Employment and Housing Act, as amended, the New York City Human Rights Law, as amended, the Massachusetts Fair Employment Practices Law, as amended, the South Carolina Human Affairs Law, as amended, tort law, contract law, wrongful discharge, discrimination, fraud, defamation, emotional distress, and breach of the implied covenant of good faith and fair dealing; provided, however, that nothing in this paragraph shall be construed in any way to (1) release the Company from its obligation to indemnify me pursuant to the Company’s indemnification obligation pursuant to written agreement or applicable law; (2) release any claim by me against the Company relating to the validity or enforceability of this release or the Agreement; (3) prohibit me from exercising any non-waivable right to file a charge with the United States Equal Employment Opportunity Commission (“**EEOC**”), the National Labor Relations Board (“**NLRB**”), or any other government agency (provided, however, that I shall not be entitled to recover any monetary damages or to obtain non-monetary relief if the agency were to pursue any claims relating to my employment with the Company).

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have to assert claims for age discrimination under applicable law, including under the ADEA. I also acknowledge that the consideration given under the Agreement for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (A) my waiver and release do not apply to any rights or claims that may arise on or after the date I execute this Release; (B) I have the right to consult with an attorney prior to executing this Release; (C) I have forty-five (45) days to consider this Release (although I may choose to voluntarily execute this Release earlier); (D) I have seven

(7) days following my execution of this Release to revoke the Release by providing a written notice of revocation to the Company's Chief Executive Officer; (E) this Release shall not be effective until the date upon which the revocation period has expired, which shall be the eighth day (8th) after I execute this Release; and (F) I have received with this Release the required written disclosure for a "group termination" under the ADEA, including a detailed list of the job titles and ages of all employees who were terminated in this group termination and the ages of all employees of the Company in the same job classification or organizational unit who were not terminated.

I hereby represent that I have been paid all compensation owed and for all hours worked, I have received all the leave and leave benefits and protections for which I am eligible, pursuant to the federal Family and Medical Leave Act, any Company policy or applicable law, and I have not suffered any on-the-job injury or illness for which I have not already filed a workers' compensation claim.

I agree that I will not engage in any conduct that is injurious to the reputation of the Company or its parents, subsidiaries and affiliates, including but not limited to disparagement of the Company, its officers, Board members, employees and shareholders. The foregoing shall not be violated by a statement made in a deposition, trial or administrative proceeding in response to legal process; by any statement made to a government agency; or whenever I make any statement to a court, administrative tribunal or government agency as required by law.

**EXECUTIVE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date:

**EXECUTIVE EMPLOYMENT AGREEMENT**

This **EXECUTIVE EMPLOYMENT AGREEMENT** (this “*Agreement*”) is entered into as of the 30<sup>th</sup> day of September, 2015 (the “*Execution Date*”), between Michael A. Metzger (“*Executive*”) and **SYNDAX PHARMACEUTICALS, INC.** (the “*Company*”). Certain capitalized terms used in this Agreement are defined in Article 7.

**RECITALS**

**A.** The Company is a biopharmaceutical company.

**B.** The Company desires to employ Executive, or to continue Executive’s employment, in the position set forth below, and Executive wishes to be employed, or continue to be employed, by the Company in such position, upon the terms and conditions set forth in this Agreement.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, the Company and Executive agree as follows:

**ARTICLE 1****PRELIMINARY MATTERS**

**1.1. Prior Agreement.** This Agreement, on its Effective Date, amends, restates and supersedes the Prior Employment Agreement.

**1.2. Effectiveness of Agreement.** This Agreement shall be effective and shall supersede the Prior Employment Agreement concurrently with the Effective Date. Notwithstanding the foregoing, this Agreement shall not become effective, shall be deemed null and void and shall not supersede the Prior Employment Agreement if (i) the Effective Date does not occur prior to December 31, 2016 or (ii) Executive’s employment with the Company is terminated by the Company or by Executive for any reason (including death or disability) prior to the Effective Date. If this Agreement does not become effective, the Prior Employment Agreement shall remain in full force and effect in accordance with its terms.

**ARTICLE 2****TERMS OF EMPLOYMENT**

**2.1. Appointment.** Executive shall serve as the President and Chief Operating Officer, reporting to the Chief Executive Officer and ultimately to the Board. As President and Chief Operating Officer, Executive will have such duties and responsibilities typically associated with such officer plus other duties as may from time to time be assigned to Executive. During Executive’s employment with the Company, Executive shall (i) devote substantially all of Executive’s business efforts to the Company, provided, however, that Executive may (a) serve as a consultant to Tobira Therapeutics, Inc., (b) participate in charitable, civic, educational, professional, community or industry affairs, (c) manage Executive’s passive personal investments, and (d) serve as a board member, advisor or a similar position, of up to two other companies, so long as such service does not conflict with or is not detrimental to the Company’s best interests, as determined in good faith by the Board, and (ii) faithfully and to the best of Executive’s abilities and experience, and in accordance with the standards and ethics of the business in which the Company is engaged, perform all duties that may be required of Executive by this Agreement, the Company’s policies and procedures, and such other duties and responsibilities as may be assigned to Executive from time to time, as well as the directives of the Board. During Executive’s employment with the Company, Executive shall not engage in any activity that conflicts with or is detrimental to the Company’s best interests, as determined by the Board.

**2.2. Employment Term.** Executive will be employed by the Company on an “at-will” basis. This means that either the Company or Executive may terminate Executive’s employment at any time, for any reason, with or without Cause, and with or without advance notice (provided that Resignation for Good Reason (as defined below) requires certain advanced notice by Executive of Executive’s termination of employment). It also means that Executive’s job title, duties, responsibilities, reporting level, compensation and benefits, as well as the Company’s personnel policies and procedures, may be changed with or without notice at any time in the Company’s sole discretion. This at-will employment relationship shall not be modified by any conflicting actions or representations of any Company employee or other party before or during the term of Executive’s employment.

**2.3. Compensation.**

a) **Annual Base Salary.** Executive’s annual base salary shall be \$450,000 per year (“**Annual Base Salary**”), payable in equal installments, less applicable deductions and withholdings, in accordance with the Company’s standard payroll practices. Upon the IPO, the Annual Base Salary shall be increased to \$475,000. Executive’s Annual Base Salary shall be subject to review by the Company’s compensation committee and may be increased, from time to time.

b) **Benefits.** Executive will be entitled to participate in all of the employee benefits and benefit plans that the Company generally makes available to its full-time employees and executives and for which Executive is eligible in accordance with the Company’s policies as in effect from time to time. These benefits are subject to the terms, conditions, and eligibility requirements that govern or apply to them. Notwithstanding the foregoing, if applicable, the Company shall make a group health plan available to Executive, which provides applicable coverage at both Executive’s permanent residence and Executive’s principal place of employment. From time to time and as the Board deems appropriate, Executive may be eligible to receive options to purchase the Company’s common stock.

c) **Bonus.** In addition to Annual Base Salary, Executive shall be eligible to earn an annual performance bonus of up to forty percent (40%) of Executive’s Annual Base Salary, which bonus shall be earned upon Executive’s attainment of objectives to be determined by the Board (or the compensation committee thereof, as such determination may be delegated by the Board to the compensation committee) and continued employment with the Company as described below (the “**Target Performance Bonus**”). The amount of and Executive’s eligibility for the Target Performance Bonus shall be determined in the sole discretion of the Board (or the compensation committee thereof, as such determination may be delegated by the Board to the compensation committee). If earned, any Target Performance Bonus shall be paid to Executive, less authorized deductions and applicable withholdings, on or before the February 15<sup>th</sup> following the calendar year during which such bonus was earned. For the 2015 calendar year, if applicable, the Target Performance Bonus will be pro-rated based on Executive’s May 5, 2015 start date with the Company. Except as provided in Sections 3.2 and 4.2, Executive shall be eligible to earn the Target Performance Bonus only if Executive is actively employed and in good standing with the Company on both the determination and payment dates for the Target Performance Bonus.

d) **Other Compensation.** Upon the IPO, Executive will be eligible to receive a one-time bonus equal to \$40,000. Additionally, upon a successful transaction that leads to a Change in Control with an aggregate purchase price of \$640 million, Executive will be eligible to receive an additional one-time bonus equal to the Annual Base Salary, payable within thirty (30) days following the closing date of such Change in Control.



**2.4. Reimbursement of Expenses.** Subject to Section 5.10(c), the Company shall reimburse Executive for Executive's necessary and reasonable business expenses incurred in connection with Executive's duties in accordance with the Company's generally applicable policies. Executive and the Company acknowledge that Executive will be required to spend a certain amount of time each month at the Company's Waltham headquarters. Accordingly, the Company will reimburse, or pay for, all reasonable expenses incurred by Executive in connection with commuting between the Company's Waltham office and Executive's current principal residence in New York, including Executive's actual and reasonable living expenses incurred in the Waltham area and Executive's actual and reasonable commuting expenses incurred between Waltham and Executive's current principal residence in New York. Executive will not be required to relocate his residence to Waltham, but should Executive choose to relocate his residence to Waltham, the Company will pay up to \$50,000 for ordinary and necessary expenses incurred by Executive as a result of Executive's relocation. The foregoing provisions of this Section 2.4 are subject to Section 5.10(c).

### ARTICLE 3

#### CHANGE IN CONTROL SEVERANCE BENEFITS

**3.1. Severance Benefits.** Upon a Change in Control Termination, and subject to the limitations and conditions set forth in this Agreement, Executive shall be eligible to receive the benefits set forth in this Article 3. The receipt of any severance payments or benefits pursuant to this Agreement is subject to Executive signing and not revoking a separation agreement and general release of claims (the "**Release**"), in substantially the form attached hereto and incorporated herein as **Exhibit A, Exhibit B or Exhibit C**, as appropriate, which Release must become effective and irrevocable no later than the sixtieth (60<sup>th</sup>) day following Executive's termination of employment (the "**Release Deadline Date**"). If the Release does not become effective and irrevocable by the Release Deadline Date, Executive will forfeit any right to any severance payments or benefits under this Agreement. In no event will severance payments or benefits be paid or provided until the Release actually becomes effective and irrevocable.

**3.2. Salary and Pro-Rata Bonus Payment.** In consideration of Executive's execution and non-revocation of the Release by the Release Deadline Date, in a form provided by the Company and in accordance with Article 5, the Company shall pay Executive a severance payment equal to (i) the sum of Executive's Monthly Base Salary and Pro-Rata Bonus multiplied by (ii) the number of months in the Change in Control Severance Period, less applicable withholdings. The severance payment shall be payable (except as set forth in Article 5) in a lump sum on the first regularly-scheduled payroll date occurring on or after the Release Deadline Date.

**3.3. Health Continuation Coverage.**

a) Provided that Executive is eligible and has made the necessary elections for continuation coverage pursuant to COBRA under a health, dental or vision plan sponsored by the Company, the Company shall pay the applicable premiums (inclusive of premiums for Executive's dependents for such health, dental or vision plan coverage as in effect immediately prior to the date of the Change in Control Termination) for such continued health, dental or vision plan coverage following the date of the Change in Control Termination for up to the number of months equal to the Change in Control Benefits Period (but in no event after such time as Executive is eligible for coverage under a health, dental or vision insurance plan of a subsequent employer or as Executive and Executive's dependents are no longer eligible for COBRA coverage); provided that if continued payment by the Company of the applicable premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended, or any statute or regulation of similar effect (including, without limitation, the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing such continued payment, the Company

will instead pay Executive on the first day of each month a fully taxable cash payment equal to the applicable premiums for that month, subject to applicable tax withholdings, for the remainder of the Change in Control Benefits Period. Such coverage shall be counted as coverage pursuant to COBRA. The Company shall have no obligation in respect of any premium payments (or any other payments in respect of health, dental or vision coverage from the Company) following the effective date of Executive's coverage by a health, dental or vision insurance plan of a subsequent employer. Executive shall be required to notify the Company immediately if Executive becomes covered by a health, dental or vision insurance plan of a subsequent employer. If Executive and Executive's dependents continue coverage pursuant to COBRA following the conclusion of the Change in Control Benefits Period, Executive will be responsible for the entire payment of such premiums required under COBRA for the duration of the COBRA period.

b) For purposes of this Section 3.3, (i) references to COBRA shall be deemed to refer also to analogous provisions of state law, and (ii) any applicable insurance premiums that are paid by the Company shall not include any amounts payable by Executive under a Code Section 125 health care reimbursement plan, which amounts, if any, are the sole responsibility of Executive.

**3.4. Stock Awards.** Upon a Change in Control Termination, (i) the vesting and exercisability of all outstanding options to purchase the Company's common stock (or stock appreciation rights or other rights with respect to the stock of the Company issued pursuant to any equity incentive plan of the Company) that are held by Executive on the Termination Date shall be accelerated in full, (ii) any reacquisition or repurchase rights held by the Company with respect to common stock issued or issuable (or with respect to other rights with respect to the stock of the Company issued or issuable) pursuant to any other stock award granted to Executive pursuant to any equity incentive plan of the Company shall lapse and (iii) the time period that Executive has to exercise any outstanding options to purchase the Company's common stock that are held by Executive on the Termination Date shall be extended for a period equal to the shorter of (A) twelve (12) months or (B) the remaining term of the outstanding option.

## ARTICLE 4

### COVERED TERMINATION SEVERANCE BENEFITS

**4.1. Severance Benefits.** Upon a Covered Termination, and subject to the limitations and conditions set forth in this Agreement, Executive shall be eligible to receive the benefits set forth in this Article 4. The receipt of any severance payments or benefits pursuant to this Agreement is subject to Executive signing and not revoking the appropriate Release, which Release must become effective and irrevocable no later than the Release Deadline Date. If the Release does not become effective and irrevocable by the Release Deadline Date, Executive will forfeit any right to any severance payments or benefits under this Agreement. In no event will severance payments or benefits be paid or provided until the Release actually becomes effective and irrevocable.

**4.2. Salary Payment.** In consideration of Executive's timely execution and non-revocation of a full release of all claims, in a form provided by the Company and in accordance with Article 5, the Company shall pay Executive a severance payment equal to the sum of (i) Executive's Monthly Base Salary multiplied by the number of months in the Covered Termination Severance Period and (ii) the Target Performance Bonus as in effect on the date of a Covered Termination multiplied by the number of days Executive was employed in the year of the Covered Termination divided by the total number of days in such year, less applicable withholdings. The severance payment shall be payable (except as set forth in Article 5) in a lump sum on the first regularly-scheduled payroll date occurring on or after the Release Deadline Date.

#### 4.3. Health Continuation Coverage.

a) Provided that Executive is eligible and has made the necessary elections for continuation coverage pursuant to COBRA under a health, dental or vision plan sponsored by the Company, the Company shall pay for the applicable premiums (inclusive of premiums for Executive's dependents for such health, dental or vision plan coverage as in effect immediately prior to the date of the Covered Termination) for such continued health, dental or vision plan coverage following the date of the Covered Termination for up to the number of months equal to the Covered Termination Benefits Period (but in no event after such time as Executive is eligible for coverage under a health, dental or vision insurance plan of a subsequent employer or as Executive and Executive's dependents are no longer eligible for COBRA coverage); provided that if continued payment by the Company of the applicable premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended, or any statute or regulation of similar effect (including, without limitation, the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing such continued payment, the Company will instead pay Executive on the first day of each month a fully taxable cash payment equal to the applicable premiums for that month, subject to applicable tax withholdings, for the remainder of the Covered Termination Benefits Period. Such coverage shall be counted as coverage pursuant to COBRA. The Company shall have no obligation in respect of any premium payments (or any other payments in respect of health, dental or vision coverage from the Company) following the effective date of Executive's coverage by a health, dental or vision insurance plan of a subsequent employer. Executive shall be required to notify the Company immediately if Executive becomes covered by a health, dental or vision insurance plan of a subsequent employer. If Executive and Executive's dependents continue coverage pursuant to COBRA following the conclusion of the Covered Termination Benefits Period, Executive will be responsible for the entire payment of such premiums required under COBRA for the duration of the COBRA period.

b) For purposes of this Section 4.3, (i) references to COBRA shall be deemed to refer also to analogous provisions of state law, and (ii) any applicable insurance premiums that are paid by the Company shall not include any amounts payable by Executive under a Code Section 125 health care reimbursement plan, which amounts, if any, are the sole responsibility of Executive.

#### 4.4. Stock Awards. Upon a Covered Termination:

a) the vesting and exercisability of all outstanding options to purchase the Company's common stock (or stock appreciation rights or other rights with respect to the stock of the Company issued pursuant to any equity incentive plan of the Company) that are held by Executive on the Termination Date shall be accelerated as to the number of shares of common stock issuable upon exercise of such option ("**Option Shares**") as equals the number of Option Shares as would otherwise vest during the twelve (12) month period following the Termination Date in accordance with the applicable options' vesting schedule were the Executive to remain an employee of the Company during such twelve (12) month period (disregarding any other basis for acceleration of vesting of Option Shares during such twelve (12) month period);

b) any reacquisition or repurchase rights held by the Company with respect to common stock issued or issuable (or with respect to other rights with respect to the stock of the Company issued or issuable) pursuant to any option to purchase the Company's common stock (or stock appreciation rights or other rights with respect to the stock of the Company) ("**Restricted Shares**") held by the Executive as of the Termination Date shall lapse as to the number of Restricted Shares as equals the number of Restricted Shares as to which such reacquisition or repurchase rights would otherwise lapse during the twelve (12) month period following the Termination Date in accordance with the option's vesting schedule were the Executive to remain an employee of the Company during such twelve (12) month period (disregarding any other basis for acceleration of the lapsing of such reacquisition or repurchase rights on Restricted Shares during such twelve (12) month period); and

c) the time period that Executive has to exercise any outstanding options to purchase the Company's common stock that are held by Executive on the Termination Date shall be extended for a period equal to the shorter of (A) twelve (12) months or (B) the remaining term of the outstanding option.

## ARTICLE 5

### LIMITATIONS AND CONDITIONS ON BENEFITS

**5.1. Rights Conditioned on Compliance.** Executive's rights to receive all severance benefits described in Article 3 and Article 4 shall be conditioned upon and subject to Executive's compliance with the limitations and conditions on benefits as described in this Article 5.

**5.2. Continuation of Service Until Date of Termination.** Executive shall continue to provide service to the Company in good faith until the Termination Date, unless such performance is otherwise excused in writing by the Company.

**5.3. Release Prior to Payment of Benefits.** Upon the occurrence of a Change in Control Termination or a Covered Termination, as applicable, and prior to Executive earning any entitlement to any severance or separation benefits under this Agreement on account of such Change in Control Termination or Covered Termination, as applicable, Executive must execute the appropriate Release, and such Release must become effective in accordance with its terms, but in no event later than the Release Deadline Date. No amount shall be paid prior to such date. Instead, on the first regularly-scheduled payroll date occurring on or after the Release Deadline Date, the Company will pay Executive the severance amount that Executive would otherwise have received on or prior to such date but for the delay in payment related to the effectiveness of the Release, with the balance of the severance amount being paid as originally scheduled. The Company may modify the Release in its discretion to comply with changes in applicable law at any time prior to Executive's execution of such Release. Such Release shall specifically relate to all of Executive's rights and claims in existence at the time of such execution and shall confirm Executive's obligations under the Confidentiality Agreement and any similar obligations under applicable law. It is understood that, as specified in the applicable Release, Executive has a certain number of calendar days to consider whether to execute such Release. If Executive does not execute and deliver such Release within the applicable period, no benefits shall be provided or payable under this Agreement, and Executive shall have no further rights, title or interests in or to any severance benefits or payments pursuant to this Agreement. It is further understood that if Executive is age 40 or older at the time of a Change in Control Termination or a Covered Termination, as applicable, Executive may revoke the applicable Release within seven (7) calendar days after its execution by Executive. If Executive revokes such Release within such subsequent seven (7) day period, no benefits shall be provided or payable under this Agreement pursuant to such Change in Control Termination or Covered Termination, as applicable.

**5.4. Return of Company Property.** Not later than the Termination Date, Executive shall return to the Company all documents (and all copies thereof) and other property belonging to the Company that Executive has in his or her possession or control. The documents and property to be returned include, but are not limited to, all files, correspondence, email, memoranda, notes, notebooks, records, plans, forecasts, reports, studies, analyses, compilations of data, proposals, agreements, financial information, research and development information, marketing information, operational and personnel information, databases, computer-recorded information, tangible property and equipment (including, but not limited to, computers, facsimile machines, mobile telephones and servers), credit cards, entry cards, identification badges and keys, and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions thereof in whole or in part). Executive agrees to make a diligent search to locate any such documents, property and information. If Executive has used any personally owned computer, server or e-mail system to receive, store, review, prepare or

transmit any Company confidential or proprietary data, materials or information, then within ten (10) business days after the Termination Date, Executive shall provide the Company with a computer-useable copy of all such information and then permanently delete and expunge such confidential or proprietary information from those systems. Executive agrees to provide the Company access to Executive's system as requested to verify that the necessary copying and/or deletion is done.

#### 5.5. Cooperation and Continued Compliance with Restrictive Covenants.

a) From and after the Termination Date, Executive shall cooperate fully with the Company in connection with its actual or contemplated defense, prosecution or investigation of any existing or future litigation, arbitrations, mediations, claims, demands, audits, government or regulatory inquiries, or other matters arising from events, acts or failures to act that occurred during the time period in which Executive was employed by the Company (including any period of employment with an entity acquired by the Company). Such cooperation includes, without limitation, being available upon reasonable notice, without subpoena, to provide accurate and complete advice, assistance and information to the Company, including offering and explaining evidence, providing truthful and accurate sworn statements, and participating in discovery and trial preparation and testimony. Executive also agrees to promptly send the Company copies of all correspondence (for example, but not limited to, subpoenas) received by Executive in connection with any such legal proceedings, unless Executive is expressly prohibited by law from so doing. The Company will reimburse Executive for reasonable out-of-pocket expenses incurred in connection with any such cooperation (excluding foregone wages, salary or other compensation) within thirty (30) days of Executive's timely presentation of appropriate documentation thereof, in accordance with the Company's standard reimbursement policies and procedures, and will make reasonable efforts to accommodate Executive's scheduling needs.

b) From and after the Termination Date, Executive shall continue to abide by all of the terms and provisions of the Confidentiality Agreement (and any other comparable agreement signed by Executive), in accordance with its terms.

c) Executive agrees that the choice of law and choice of forum provisions in Section 10.10 of the Confidentiality Agreement shall be amended to conform to the choice of law and choice of forum provisions in Section 8.11 of this Agreement. No other terms of the Confidentiality Agreement are amended by this Agreement, and the Confidentiality Agreement remains in full force and effect.

d) Executive acknowledges and agrees that Executive's obligations under this Section 5.5 are an essential part of the consideration Executive is providing hereunder in exchange for which and in reliance upon which the Company has agreed to provide the payments and benefits under this Agreement. Executive further acknowledges and agrees that Executive's violation of this Section 5.5 inevitably would involve use or disclosure of the Company's proprietary and confidential information. Accordingly, Executive agrees that Executive will forfeit, effective as of the date of any breach, any right, entitlement, claim or interest in or to any unpaid portion of the severance payments or benefits provided in Article 3 or Article 4. If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 5.5 is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state.

#### 5.6. Parachute Payments.

a) **Parachute Payment Limitation.** If any payment or benefit (including payments and benefits pursuant to this Agreement) Executive would receive in connection with a Change in Control from the Company or otherwise ("**Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this paragraph, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then the Company shall cause to be determined, before

any amounts of the Payment are paid to Executive, which of the following two alternative forms of payment shall be paid to Executive: (A) payment in full of the entire amount of the Payment (a “**Full Payment**”), or (B) payment of only a part of the Payment so that Executive receives the largest payment possible without the imposition of the Excise Tax (a “**Reduced Payment**”). A Full Payment shall be made in the event that the amount received by Executive on a net after-tax basis is greater than what would be received by Executive on a net after-tax basis if the Reduced Payment were made, otherwise a Reduced Payment shall be made. If a Reduced Payment is made, (i) the Payment shall be paid only to the extent permitted under the Reduced Payment alternative, and Executive shall have no rights to any additional payments and/or benefits constituting the Payment, and (ii) reduction in payments and/or benefits shall occur in the following order: (A) reduction of cash payments; (B) cancellation of accelerated vesting of equity awards other than stock options; (C) cancellation of accelerated vesting of stock options; and (D) reduction of other benefits paid to Executive. In the event that acceleration of compensation from Executive’s equity awards is to be reduced, such acceleration of vesting shall be canceled in the reverse order of the date of grant.

b) The independent registered public accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in Control shall make all determinations required to be made under this Section 5.6. If the independent registered public accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Company shall appoint a nationally recognized independent registered public accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such independent registered public accounting firm required to be made hereunder.

c) The independent registered public accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and Executive within fifteen (15) calendar days after the date on which Executive’s right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as requested by the Company or Executive. If the independent registered public accounting firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it shall furnish the Company and Executive with an opinion reasonably acceptable to Executive that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive.

**5.7. Certain Reductions and Offsets.** To the extent that any federal, state or local laws, including, without limitation, the Worker Adjustment and Retraining Notification Act or any other so-called “plant closing” laws, require the Company to give advance notice or make a payment of any kind to Executive because of Executive’s involuntary termination due to a layoff, reduction in force, plant or facility closing, sale of business, change in control or any other similar event or reason, the benefits payable under this Agreement shall be correspondingly reduced. The benefits provided under this Agreement are intended to satisfy any and all statutory obligations that may arise out of Executive’s involuntary termination of employment for the foregoing reasons, and the parties shall construe and enforce the terms of this Agreement accordingly.

**5.8. Mitigation.** Except as otherwise specifically provided herein, Executive shall not be required to mitigate damages or the amount of any payment provided under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as a result of employment by another employer or by any retirement benefits received by Executive after the date of a Change in Control Termination or Covered Termination (except as expressly provided in Sections 3.3 and 4.3 above).

**5.9. Indebtedness of Executive.** If Executive is indebted to the Company on the effective date of a Change in Control Termination or Covered Termination, the Company reserves the right to offset any severance payments and benefits under this Agreement by the amount of such indebtedness.

**5.10. Application of Section 409A.**

a) **Separation from Service.** Notwithstanding any provision to the contrary in this Agreement, no amount deemed deferred compensation subject to Section 409A of the Code shall be payable pursuant to Article 3 or Article 4 unless Executive's termination of employment constitutes a "separation from service" with the Company within the meaning of Section 409A of the Code and the Department of Treasury Regulations and other guidance promulgated thereunder and, except as provided under Section 5.10(b) hereof, any such amount shall not be paid, or in the case of installments, commence payment, until the first regularly-scheduled payroll date occurring on or after the sixtieth (60<sup>th</sup>) day following Executive's separation from service. Any installment payments that would have been made to Executive during the sixty (60) day period immediately following Executive's separation from service but for the preceding sentence shall be paid to Executive on the first regularly-scheduled payroll date occurring on or after the sixtieth (60<sup>th</sup>) day after Executive's separation from service and the remaining payments shall be made as provided in this Agreement.

b) **Specified Executive.** Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed at the time of his or her separation from service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of Executive's "separation from service" with the Company (as such term is defined in the Treasury Regulations issued under Section 409A of the Code) or (ii) the date of Executive's death. Upon the first business day following the expiration of the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section 5.10(b) shall be paid in a lump sum to Executive, and any remaining payments due under this Agreement shall be paid as otherwise provided herein.

c) **Expense Reimbursements.** To the extent that any reimbursement payable pursuant to this Agreement is subject to the provisions of Section 409A of the Code, any such reimbursement payable to Executive pursuant to this Agreement shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred; the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year; and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

d) **Installments.** For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment.

**5.11. Tax Withholding.** All payments under this Agreement shall be subject to applicable withholding for federal, state and local income and employment taxes.

**5.12. No Duplication of Severance Benefits.** The severance and other benefits provided in Article 3 and Article 4 are mutually exclusive of each other, and in no event shall Executive receive any severance or other benefits pursuant to both Article 3 and Article 4.

## ARTICLE 6

### TERMINATION WITH CAUSE OR BY VOLUNTARY RESIGNATION; OTHER RIGHTS AND BENEFITS

**6.1. Termination for Cause by the Company.** If the Company shall terminate the Executive's employment with the Company for Cause, then upon such termination, the Company shall have no further obligation to Executive hereunder except for the payment or provision, as applicable, of (i) the portion of the Annual Base Salary for the period prior to the effective date of termination earned but unpaid (if any), (ii) all unreimbursed expenses (if any), subject to Sections 2.4 and 5.10(c), and (iii) other payments, entitlements or benefits, if any, in accordance with terms of the applicable plans, programs, arrangements or other agreements of the Company (other than any severance plan or policy) as to which the Executive held rights to such payments, entitlements or benefits, whether as a participant, beneficiary or otherwise on the date of termination ("**Other Benefits**"). For the avoidance of doubt, Executive shall have no right to receive (and Other Benefits shall not include) any amounts under any Company severance plan or policy or pursuant to Article 3 or Article 4 upon Executive's termination for Cause.

**6.2. Termination by Voluntary Resignation by the Executive (other than Resignation for Good Reason).** Upon any voluntary resignation by Executive that is not a Resignation for Good Reason, the Company shall have no further obligation to the Executive hereunder except for the payment of (i) the portion of the Annual Base Salary for the period prior to the effective date of termination earned but unpaid (if any), (ii) all unreimbursed expenses (if any), subject to Section 2.4 and Section 5.10(c), and (iii) the payment or provision of any Other Benefits. For the avoidance of doubt, Executive shall have no right to receive (and Other Benefits shall not include) any amounts under any Company severance plan or policy or pursuant to Article 3 or Article 4 upon any voluntary resignation by Executive that is not a Resignation for Good Reason.

**6.3. Other Rights and Benefits.** Nothing in this Agreement shall prevent or limit Executive's continuing or future participation in any benefit, bonus, incentive or other plans, programs, policies or practices provided by the Company and for which Executive may otherwise qualify, nor shall anything herein limit or otherwise affect such rights as Executive may have under other agreements with the Company except as provided in Article 1, Article 5, Section 6.1 and Section 6.2 above. Except as otherwise expressly provided herein, amounts that are vested benefits or that Executive is otherwise entitled to receive under any plan, policy, practice or program of the Company at or subsequent to the date of a Change in Control shall be payable in accordance with such plan, policy, practice or program.

## ARTICLE 7

### DEFINITIONS

Unless otherwise provided, for purposes of this Agreement, the following definitions shall apply:

**7.1. "Board"** means the Board of Directors of the Company.

**7.2. "Cause"** means, upon a reasonable determination by the Company, Executive's: (i) dishonest statements or acts with respect to the Company, any subsidiary or any affiliate of the Company, which has the effect of materially injuring (whether financially or otherwise) the business or reputation of the Company; (ii) conviction of or indictment for (A) a felony or (B) any misdemeanor (excluding minor traffic violations) involving moral turpitude, deceit, dishonesty or fraud ("indictment," for these purposes, meaning an indictment, probable cause hearing or any other procedure pursuant to which an initial determination of probable or reasonable cause with respect to such offense is made); (iii) gross negligence, willful misconduct or insubordination with respect to the Company or any



subsidiary or any affiliate of the Company; or (iv) material breach of any of Executive's obligations under any agreement to which Executive and the Company or any subsidiary are a party. With respect to clause (iv), Executive will be given notice and a 30-day period in which to cure such breach, only to the extent such breach can be reasonably expected to be able to be cured within such period. Executive agrees that the breach of any confidentiality obligation to the Company or any subsidiary shall not be curable to any extent.

7.3. "**Change in Control**" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

a) Any natural person, entity or group within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended ("**Exchange Act Person**"), becomes the owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur (i) on account of the acquisition of securities of the Company by any institutional investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions that are primarily a private financing transaction for the Company or (ii) solely because the level of ownership held by any Exchange Act Person (the "**Subject Person**") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities owned by the Subject Person over the designated percentage threshold, then a Change in Control shall be deemed to occur;

b) There is consummated a merger, consolidation or similar transaction involving, directly or indirectly, the Company if, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not own, directly or indirectly, either (i) outstanding voting securities representing more than fifty percent (50%) of the combined outstanding voting power of the surviving entity in such merger, consolidation or similar transaction or (ii) more than fifty percent (50%) of the combined outstanding voting power of the parent of the surviving entity in such merger, consolidation or similar transaction;

c) The stockholders of the Company approve or the Board approves a plan of complete dissolution or liquidation of the Company, or a complete dissolution or liquidation of the Company shall otherwise occur; or

d) There is consummated a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportion as their ownership of the Company immediately prior to such sale, lease, license or other disposition.

The term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company. Notwithstanding the foregoing or any other provision of this Agreement, the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any affiliate and the participant shall supersede the foregoing definition with respect to stock awards subject to such agreement (it being understood, however, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply).

7.4. “**Change in Control Benefits Period**” means the period of eighteen (18) months commencing on the Termination Date.

7.5. “**Change in Control Severance Period**” means the period of twelve (12) months commencing on the Termination Date.

7.6. “**Change in Control Termination**” means an “**Involuntary Termination Without Cause**” or “**Resignation for Good Reason**,” either of which occurs on, or within three (3) months prior to, or within twelve (12) months following, the effective date of a Change in Control, provided that any such termination is a “separation from service” within the meaning of Treasury Regulation Section 1.409A-1(h). Death and disability shall not be deemed Change in Control Terminations.

7.7. “**COBRA**” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

7.8. “**Code**” means the Internal Revenue Code of 1986, as amended.

7.9. “**Company**” means Syndax Pharmaceuticals, Inc. or, following a Change in Control, the surviving entity resulting from such transaction, or any subsequent surviving entity resulting from any subsequent Change in Control.

7.10. “**Confidentiality Agreement**” means Executive’s Assignment of Developments, Non-Disclosure and Non-Solicitation Agreement with the Company, dated June 22, 2015 (or any successor agreement thereto).

7.11. “**Covered Termination**” means an “**Involuntary Termination Without Cause**” or “**Resignation for Good Reason**,” provided that any such termination is a “separation from service” within the meaning of Treasury Regulation Section 1.409A-1(h). Death and disability shall not be deemed Covered Terminations. If an Involuntary Termination Without Cause or Resignation for Good Reason qualifies as a Change in Control Termination, it shall not constitute a Covered Termination.

7.12. “**Covered Termination Benefits Period**” means the period of eighteen (18) months commencing on the Termination Date.

7.13. “**Covered Termination Severance Period**” means the period of twelve (12) months commencing on the Termination Date.

7.14. “**Effective Date**” means the effective date of the first registration statement filed by the Company to register shares of its common stock for sale to the public through one or more underwriters.

7.15. “**Involuntary Termination Without Cause**” means Executive’s dismissal or discharge by the Company for reasons other than Cause and other than as a result of death or disability.

7.16. “**IPO**” means the consummation of the Company’s first underwritten initial public offering of the Company’s common stock under the Securities Act of 1933, as amended, that results in such common stock being listed for trading on a national securities exchange or an over the counter market.

7.17. “**Monthly Base Salary**” means 1/12<sup>th</sup> of the greater of (i) Executive’s annual base salary (excluding incentive pay, premium pay, commissions, overtime, bonuses and other forms of variable compensation) as in effect on the date of a Change in Control Termination or a Covered Termination, as applicable, or (ii) in the case of a Change in Control Termination, Executive’s annual base salary (excluding incentive pay, premium pay, commissions, overtime, bonuses and other forms of variable compensation) as in effect on the date of a Change in Control.

7.18. “**Prior Employment Agreement**” means that certain offer letter agreement, between the Company and Executive, dated June 5, 2015.

7.19. “**Pro-Rata Bonus**” means 1/12<sup>th</sup> of the greater of (i) the average Target Performance Bonus paid to Executive for the three years preceding the date of a Change in Control Termination (or such lesser number of years during which Executive has been employed by the Company), or (ii) the Target Performance Bonus, as in effect on the date of a Change in Control Termination.

7.20. “**Resignation for Good Reason**” means Executive’s resignation from all employee positions Executive then holds with the Company within sixty (60) days following any of the following events taken without Executive’s consent, provided Executive has given the Company written notice of such event within thirty (30) days after the first occurrence of such event and the Company has not cured such event within thirty (30) days thereafter:

- a) A decrease in Executive’s total target cash compensation (base and bonus) of more than 10% (i.e., a material reduction in Executive’s base compensation and a material breach by the Company of Executive’s employment terms with the Company), other than in connection with a comparable decrease in compensation for all comparable executives of the Company;
- b) Executive’s duties, authority or responsibilities are materially diminished (not simply a change in title or reporting relationships);
- c) A material breach by the Company of the terms of the Agreement;
- d) Either (i) Executive is required to establish residence in a location more than 50 miles from Executive’s current principal personal residence or (ii) there is an increase in Executive’s round-trip driving distance of more than fifty (50) miles from Executive’s current principal personal residence to the principal office or business location at which Executive is required to perform services (except for required business travel to the extent consistent with Executive’s prior business travel obligations) (“**Executive’s Principal Place of Business**”) as a result of a change in location by the Company of Executive’s Principal Place of Business; provided however, that the foregoing shall not include the establishment of a secondary residence within fifty (50) miles from the Company’s Waltham headquarters with Executive’s consent or any commute between Executive’s current principal personal residence and the Company’s Waltham headquarters; or
- e) The failure of the Company to obtain a satisfactory agreement from any successor to materially assume and materially agree to perform under the terms of this Agreement.

7.21. “**Termination Date**” means the effective date of the Change in Control Termination, the Covered Termination or a termination for Cause, as applicable.

## ARTICLE 8

### GENERAL PROVISIONS

8.1. **Employment Status.** This Agreement does not constitute a contract of employment or impose upon Executive any obligation to remain as an employee, or impose on the Company any obligation (i) to retain Executive as an employee, (ii) to change the status of Executive as an at-will employee or (iii) to change the Company’s policies regarding termination of employment.

**8.2. Notices.** Any notices provided hereunder must be in writing, and such notices or any other written communication shall be deemed effective upon the earlier of personal delivery (including personal delivery by facsimile) or the third day after mailing by first class mail, to the Company at its primary office location and to Executive at Executive's address as listed in the Company's payroll records. Any payments made by the Company to Executive under the terms of this Agreement shall be delivered to Executive either in person or at the address as listed in the Company's payroll records.

**8.3. Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

**8.4. Waiver.** If either party should waive any breach of any provisions of this Agreement, he, she or it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

**8.5. Complete Agreement.** This Agreement, including **Exhibit A**, **Exhibit B** and **Exhibit C**, and the Confidentiality Agreement constitute the entire agreement between Executive and the Company and is the complete, final and exclusive embodiment of their agreement with regard to this subject matter, wholly superseding all written and oral agreements with respect to payments and benefits to Executive in the event of employment termination. It is entered into without reliance on any promise or representation other than those expressly contained herein.

**8.6. Amendment or Termination of Agreement; Continuation of Agreement.** This Agreement may be changed or terminated only upon the mutual written consent of the Company and Executive. The written consent of the Company to a change or termination of this Agreement must be signed by an executive officer of the Company (other than Executive) after such change or termination has been approved by the Board. Unless so terminated, this Agreement shall continue in effect for as long as Executive continues to be employed by the Company or by any surviving entity following any Change in Control. In other words, if, following a Change in Control, Executive continues to be employed by the surviving entity without a Change in Control Termination and the surviving entity then undergoes a Change in Control, following which Executive is terminated by the subsequent surviving entity in a Change in Control Termination, then Executive shall receive the benefits described in Article 3 hereof.

**8.7. Counterparts.** This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

**8.8. Headings.** The headings of the Articles and Sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

**8.9. Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive, and the Company, and any surviving entity resulting from a Change in Control and upon any other person who is a successor by merger, acquisition, consolidation or otherwise to the business formerly carried on by the Company, and their respective successors, assigns, heirs, executors and administrators, without regard to whether or not such person actively assumes any rights or duties hereunder; provided, however, that Executive may not assign any duties hereunder and may not assign any rights hereunder without the written consent of the Company, which consent shall not be withheld unreasonably.

**8.10. Choice of Law.** Because of the Company's and Executive's interests in ensuring that disputes regarding this Agreement are resolved on a uniform basis, the parties agree that all questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of New York, without regard for any conflict of law principles. Further, the parties consent to the jurisdiction of the state and federal courts of the State of New York for all purposes in connection with this Agreement. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which Executive or the Company may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute.

**8.11. Arbitration.** To ensure the rapid and economical resolution of any disputes that may arise under or relate to this Agreement or Executive's employment relationship, Executive and the Company agree that any and all disputes, claims, or causes of action, in law or equity, arising from or relating to the performance, enforcement, execution, or interpretation of this Agreement, Executive's employment with the Company, or the termination of Executive's employment (collectively, "Claims"), shall be resolved to the fullest extent permitted by law, by final, binding, and (to the extent permitted by law) confidential arbitration before a single arbitrator in the state where Executive is employed. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Section 1 *et seq.*, as amended, and shall be administered by the Judicial Arbitration & Mediation Services, Inc. ("JAMS"), in accordance with its then-current Employment Arbitration Rules & Procedures (the "JAMS Rules"). The JAMS Rules are also available online at <http://www.jamsadr.com/rules-employment-arbitration/>. The parties or their representatives may also call JAMS at 800.352.5267 if they have questions about the arbitration process. If the JAMS Rules are inconsistent with the terms of this Agreement, the terms of this Agreement shall govern. Notwithstanding the foregoing, this provision shall exclude Claims that by law are not subject to arbitration. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of all Claims and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision including the arbitrator's essential findings and conclusions and a statement of the award. The Company shall pay all JAMS fees in excess of the amount of filing and other court-related fees Executive would have been required to pay if the Claims were asserted in a court of law. EXECUTIVE AND THE COMPANY UNDERSTAND AND FULLY AGREE THAT BY ENTERING INTO THIS AGREEMENT, BOTH EXECUTIVE AND THE COMPANY ARE GIVING UP THE CONSTITUTIONAL RIGHT TO HAVE A TRIAL BY JURY, AND ARE GIVING UP THE NORMAL RIGHTS OF APPEAL FOLLOWING THE RENDERING OF A DECISION, EXCEPT AS THE FEDERAL ARBITRATION ACT AND APPLICABLE FEDERAL LAW ALLOW FOR JUDICIAL REVIEW OF ARBITRATION PROCEEDINGS. Nothing in this Agreement shall prevent either Executive or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or final orders in such arbitrations may be entered and enforced as judgments or orders in the federal and state courts of any competent jurisdiction in compliance with Section 8.11 of this Agreement.

**8.12. Construction of Agreement.** In the event of a conflict between the text of this Agreement and any summary, description or other information regarding this Agreement, the text of this Agreement shall control.

**8.13. Circular 230 Disclaimer.** THE FOLLOWING DISCLAIMER IS PROVIDED IN ACCORDANCE WITH THE INTERNAL REVENUE SERVICE'S CIRCULAR 230 (21 C.F.R. PART 10). ANY TAX ADVICE CONTAINED IN THIS AGREEMENT IS INTENDED TO BE PRELIMINARY, FOR DISCUSSION PURPOSES ONLY AND NOT FINAL. ANY SUCH ADVICE IS NOT INTENDED TO BE USED FOR MARKETING, PROMOTING OR RECOMMENDING ANY TRANSACTION OR FOR THE USE OF ANY PERSON IN CONNECTION WITH THE PREPARATION OF ANY TAX RETURN. ACCORDINGLY, THIS ADVICE IS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED, BY ANY PERSON FOR THE PURPOSE OF AVOIDING TAX PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON.

IN WITNESS WHEREOF, the parties have executed this Agreement on the Execution Date written above.

**SYNDAX PHARMACEUTICALS, INC.**

**EXECUTIVE**

By: /s/ Briggs W. Morrison  
Name: Briggs W. Morrison, M.D.  
Title: Chief Executive Officer

By: /s/ Michael A. Metzger  
Name: Michael A. Metzger

Exhibit A: Release (Individual Termination – Age 40 or Older)

Exhibit B: Release (Individual and Group Termination – Under Age 40)

Exhibit C: Release (Group Termination – Age 40 or Older)

**EXHIBIT A**

**RELEASE**

**(INDIVIDUAL TERMINATION – AGE 40 OR OLDER)**

Certain capitalized terms used in this Release are defined in the Executive Employment Agreement (the “**Agreement**”) which I have executed and of which this Release is a part.

I hereby confirm my obligations under the Confidentiality Agreement (or other comparable agreement that I have signed, if any).

Except as otherwise set forth in this Release, I hereby release, acquit and forever discharge the Company, its parents and subsidiaries, and their officers, directors, agents, servants, employees, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys’ fees, damages, indemnities and obligations of every kind and nature, in law, equity or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed (other than any claim for indemnification I may have as a result of any third party action against me based on my employment with the Company), arising out of or in any way related to agreements, events, acts or conduct at any time prior to the date I execute this Release, including, but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with my employment with the Company or the termination of that employment, including, but not limited to, claims of intentional and negligent infliction of emotional distress, any and all tort claims for personal injury, claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; and claims pursuant to any federal, state or local law or cause of action including, but not limited to, the federal Civil Rights Act of 1964, as amended, the federal Age Discrimination in Employment Act of 1967, as amended (“**ADEA**”), the federal Employee Retirement Income Security Act of 1974, as amended, the federal Americans with Disabilities Act of 1990, the California Fair Employment and Housing Act, as amended, the New York City Human Rights Law, as amended, the Massachusetts Fair Employment Practices Law, as amended, the South Carolina Human Affairs Law, as amended, tort law, contract law, wrongful discharge, discrimination, fraud, defamation, emotional distress, and breach of the implied covenant of good faith and fair dealing; provided, however, that nothing in this paragraph shall be construed in any way to (1) release the Company from its obligation to indemnify me pursuant to the Company’s indemnification obligation pursuant to written agreement or applicable law; (2) release any claim by me against the Company relating to the validity or enforceability of this release or the Agreement; (3) prohibit me from exercising any non-waivable right to file a charge with the United States Equal Employment Opportunity Commission (“**EEOC**”), the National Labor Relations Board (“**NLRB**”), or any other government agency (provided, however, that I shall not be entitled to recover any monetary damages or to obtain non-monetary relief if the agency were to pursue any claims relating to my employment with the Company).

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have to assert claims for age discrimination under applicable law, including under the ADEA. I also acknowledge that the consideration given under the Agreement for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (A) my waiver and release do not apply to any rights or claims that may arise on or after the date I execute this Release; (B) I have the right to consult with an attorney prior to executing this Release; (C) I have twenty-one (21) days to consider this Release (although I may choose to voluntarily execute this Release earlier); (D) I have seven (7) days following my execution of this Release to revoke the Release by providing a written notice of revocation to the Company’s Chief Executive Officer; and (E) this Release shall not be effective until the date upon which the revocation period has expired, which shall be the eighth (8th) day after I execute this Release (provided that I do not revoke it).

I hereby represent that I have been paid all compensation owed and for all hours worked, I have received all the leave and leave benefits and protections for which I am eligible, pursuant to the federal Family and Medical Leave Act, any Company policy or applicable law, and I have not suffered any on-the-job injury or illness for which I have not already filed a workers' compensation claim.

I agree that I will not make any disparaging statements regarding the Company or its officers, directors, shareholders, members, agents or products jointly or severally. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

**EXECUTIVE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date:



**EXHIBIT B**

**RELEASE**

**(INDIVIDUAL AND GROUP TERMINATION – UNDER AGE 40)**

Certain capitalized terms used in this Release are defined in the Executive Employment Agreement (the “**Agreement**”) which I have executed and of which this Release is a part.

I hereby confirm my obligations under the Confidentiality Agreement (or other comparable agreement that I have signed, if any).

Except as otherwise set forth in this Release, I hereby release, acquit and forever discharge the Company, its parents and subsidiaries, and their officers, directors, agents, servants, employees, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys’ fees, damages, indemnities and obligations of every kind and nature, in law, equity or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed (other than any claim for indemnification I may have as a result of any third party action against me based on my employment with the Company), arising out of or in any way related to agreements, events, acts or conduct at any time prior to the date I execute this Release, including, but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with my employment with the Company or the termination of that employment, including, but not limited to, claims of intentional and negligent infliction of emotional distress, any and all tort claims for personal injury, claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; and claims pursuant to any federal, state or local law or cause of action including, but not limited to, the federal Civil Rights Act of 1964, as amended, the federal Employee Retirement Income Security Act of 1974, as amended, the federal Americans with Disabilities Act of 1990, the California Fair Employment and Housing Act, as amended, the New York City Human Rights Law, as amended, the Massachusetts Fair Employment Practices Law, as amended, the South Carolina Human Affairs Law, as amended, tort law, contract law, wrongful discharge, discrimination, fraud, defamation, emotional distress, and breach of the implied covenant of good faith and fair dealing; provided, however, that nothing in this paragraph shall be construed in any way to (1) release the Company from its obligation to indemnify me pursuant to the Company’s indemnification obligation pursuant to written agreement or applicable law; (2) release any claim by me against the Company relating to the validity or enforceability of this release or the Agreement; (3) prohibit me from exercising any non-waivable right to file a charge with the United States Equal Employment Opportunity Commission (“EEOC”), the National Labor Relations Board (“NLRB”), or any other government agency (provided, however, that I shall not be entitled to recover any monetary damages or to obtain non-monetary relief if the agency were to pursue any claims relating to my employment with the Company).

I acknowledge that the consideration given under the Agreement for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing that: (A) my waiver and release do not apply to any rights or claims that may arise on or after the date I execute this Release; (B) I have the right to consult with an attorney prior to executing this Release; and (C) I have twenty-one (21) days to consider this Release (although I may choose to voluntarily execute this Release earlier).

I hereby represent that I have been paid all compensation owed and for all hours worked, I have received all the leave and leave benefits and protections for which I am eligible, pursuant to the federal Family and Medical Leave Act, any Company policy or applicable law, and I have not suffered any on-the-job injury or illness for which I have not already filed a workers’ compensation claim.

I agree that I will not make any disparaging statements regarding the Company or its officers, directors, shareholders, members, agents or products jointly or severally. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

**EXECUTIVE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date:

EXHIBIT C

RELEASE

(GROUP TERMINATION – AGE 40 OR OLDER)

Certain capitalized terms used in this Release are defined in the Executive Employment Agreement (the “**Agreement**”) which I have executed and of which this Release is a part.

I hereby confirm my obligations under the Confidentiality Agreement (or other comparable agreement that I have signed, if any).

Except as otherwise set forth in this Release, I hereby release, acquit and forever discharge the Company, its parents and subsidiaries, and their officers, directors, agents, servants, employees, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys’ fees, damages, indemnities and obligations of every kind and nature, in law, equity or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed (other than any claim for indemnification I may have as a result of any third party action against me based on my employment with the Company), arising out of or in any way related to agreements, events, acts or conduct at any time prior to the date I execute this Release, including, but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with my employment with the Company or the termination of that employment, including, but not limited to, claims of intentional and negligent infliction of emotional distress, any and all tort claims for personal injury, claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; and claims pursuant to any federal, state or local law or cause of action including, but not limited to, the federal Civil Rights Act of 1964, as amended, the federal Age Discrimination in Employment Act of 1967, as amended (“**ADEA**”), the federal Employee Retirement Income Security Act of 1974, as amended, the federal Americans with Disabilities Act of 1990, the California Fair Employment and Housing Act, as amended, the New York City Human Rights Law, as amended, the Massachusetts Fair Employment Practices Law, as amended, the South Carolina Human Affairs Law, as amended, tort law, contract law, wrongful discharge, discrimination, fraud, defamation, emotional distress, and breach of the implied covenant of good faith and fair dealing; provided, however, that nothing in this paragraph shall be construed in any way to (1) release the Company from its obligation to indemnify me pursuant to the Company’s indemnification obligation pursuant to written agreement or applicable law; (2) release any claim by me against the Company relating to the validity or enforceability of this release or the Agreement; (3) prohibit me from exercising any non-waivable right to file a charge with the United States Equal Employment Opportunity Commission (“**EEOC**”), the National Labor Relations Board (“**NLRB**”), or any other government agency (provided, however, that I shall not be entitled to recover any monetary damages or to obtain non-monetary relief if the agency were to pursue any claims relating to my employment with the Company).

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have to assert claims for age discrimination under applicable law, including under the ADEA. I also acknowledge that the consideration given under the Agreement for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (A) my waiver and release do not apply to any rights or claims that may arise on or after the date I execute this Release; (B) I have the right to consult with an attorney prior to executing this Release; (C) I have forty-five (45) days to consider this Release (although I may choose to voluntarily execute this Release earlier); (D) I have seven

(7) days following my execution of this Release to revoke the Release by providing a written notice of revocation to the Company's Chief Executive Officer; (E) this Release shall not be effective until the date upon which the revocation period has expired, which shall be the eighth day (8th) after I execute this Release; and (F) I have received with this Release the required written disclosure for a "group termination" under the ADEA, including a detailed list of the job titles and ages of all employees who were terminated in this group termination and the ages of all employees of the Company in the same job classification or organizational unit who were not terminated.

I hereby represent that I have been paid all compensation owed and for all hours worked, I have received all the leave and leave benefits and protections for which I am eligible, pursuant to the federal Family and Medical Leave Act, any Company policy or applicable law, and I have not suffered any on-the-job injury or illness for which I have not already filed a workers' compensation claim.

I agree that I will not engage in any conduct that is injurious to the reputation of the Company or its parents, subsidiaries and affiliates, including but not limited to disparagement of the Company, its officers, Board members, employees and shareholders. The foregoing shall not be violated by a statement made in a deposition, trial or administrative proceeding in response to legal process; by any statement made to a government agency; or whenever I make any statement to a court, administrative tribunal or government agency as required by law.

**EXECUTIVE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date:

**EXECUTIVE EMPLOYMENT AGREEMENT**

This **EXECUTIVE EMPLOYMENT AGREEMENT** (this “*Agreement*”) is entered into as of the 1st day of October, 2015 (the “*Execution Date*”), between Michael L. Meyers, M.D., Ph.D. (“*Executive*”) and SYNDAX PHARMACEUTICALS, INC. (the “*Company*”). Certain capitalized terms used in this Agreement are defined in Article 7.

**RECITALS**

**A.** The Company is a biopharmaceutical company.

**B.** The Company desires to employ Executive, or to continue Executive’s employment, in the position set forth below, and Executive wishes to be employed, or continue to be employed, by the Company in such position, upon the terms and conditions set forth in this Agreement.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, the Company and Executive agree as follows:

**ARTICLE 1****PRELIMINARY MATTERS**

**1.1. Prior Agreement.** This Agreement, on its Effective Date, amends, restates and supersedes the Prior Employment Agreement.

**1.2. Effectiveness of Agreement.** This Agreement shall be effective and shall supersede the Prior Employment Agreement concurrently with the Effective Date. Notwithstanding the foregoing, this Agreement shall not become effective, shall be deemed null and void and shall not supersede the Prior Employment Agreement if (i) the Effective Date does not occur prior to December 31, 2016 or (ii) Executive’s employment with the Company is terminated by the Company or by Executive for any reason (including death or disability) prior to the Effective Date. If this Agreement does not become effective, the Prior Employment Agreement shall remain in full force and effect in accordance with its terms.

**ARTICLE 2****TERMS OF EMPLOYMENT**

**2.1. Appointment.** Executive shall serve as Senior Vice President, Chief Development Officer, reporting to the Chief Executive Officer. As Senior Vice President, Chief Development Officer, Executive will have such duties and responsibilities typically associated with such officer plus other duties as may from time to time be assigned to Executive. Based on Executive’s performance, Executive is eligible for a promotion to Senior Vice President, Chief Medical Officer, with such duties and responsibilities typically associated with such officer plus other duties as may from time to time be assigned to Executive. During Executive’s employment with the Company, Executive shall (i) devote substantially all of Executive’s business efforts to the Company, and (ii) faithfully and to the best of Executive’s abilities and experience, and in accordance with the standards and ethics of the business in which the Company is engaged, perform all duties that may be required of Executive by this Agreement, the Company’s policies and procedures, and such other duties and responsibilities as may be assigned to Executive from time to time, as well as the directives of the Board. During Executive’s employment with the Company, Executive shall not engage in any activity that conflicts with or is detrimental to the Company’s best interests, as determined by the Board.

**2.2. Employment Term.** Executive will be employed by the Company on an “at-will” basis. This means that either the Company or Executive may terminate Executive’s employment at any time, for any reason, with or without Cause, and with or without advance notice (provided that Resignation for Good Reason (as defined below) requires certain advanced notice by Executive of Executive’s termination of employment). It also means that Executive’s job title, duties, responsibilities, reporting level, compensation and benefits, as well as the Company’s personnel policies and procedures, may be changed with or without notice at any time in the Company’s sole discretion. This at-will employment relationship shall not be modified by any conflicting actions or representations of any Company employee or other party before or during the term of Executive’s employment.

**2.3. Compensation.**

a) **Annual Base Salary.** Executive’s annual base salary shall be \$375,000 per year (“**Annual Base Salary**”), payable in equal installments, less applicable deductions and withholdings, in accordance with the Company’s standard payroll practices. Executive’s Annual Base Salary shall be subject to review by the Company’s compensation committee and may be increased, from time to time.

b) **Benefits.** Executive will be entitled to participate in all of the employee benefits and benefit plans that the Company generally makes available to its full-time employees and executives and for which Executive is eligible in accordance with the Company’s policies as in effect from time to time. These benefits are subject to the terms, conditions, and eligibility requirements that govern or apply to them. From time and time and as the Board deems appropriate, Executive may be eligible to receive options to purchase the Company’s common stock.

c) **Bonus.** In addition to Annual Base Salary, Executive shall be eligible to earn an annual performance bonus of up to thirty-five percent (35%) of Executive’s Annual Base Salary, which bonus shall be earned upon Executive’s attainment of objectives to be determined by the Board (or the compensation committee thereof, as such determination may be delegated by the Board to the compensation committee) and continued employment with the Company as described below (the “**Target Performance Bonus**”). The amount of and Executive’s eligibility for the Target Performance Bonus shall be determined in the sole discretion of the Board (or the compensation committee thereof, as such determination may be delegated by the Board to the compensation committee). If earned, any Target Performance Bonus shall be paid to Executive, less authorized deductions and applicable withholdings, on or before the February 15<sup>th</sup> following the calendar year during which such bonus was earned. For the 2015 calendar year, if applicable, the Target Performance Bonus will be pro-rated based on Executive’s August 17, 2015 start date with the Company. Except as provided in Section 3.2, Executive shall be eligible to earn the Target Performance Bonus only if Executive is actively employed and in good standing with the Company on both the determination and payment dates for the Target Performance Bonus.

**2.4. Reimbursement of Expenses.** Subject to Section 5.10(c), the Company shall reimburse Executive for Executive’s necessary and reasonable business expenses incurred in connection with Executive’s duties in accordance with the Company’s generally applicable policies.

**ARTICLE 3**

**CHANGE IN CONTROL SEVERANCE BENEFITS**

**3.1. Severance Benefits.** Upon a Change in Control Termination, and subject to the limitations and conditions set forth in this Agreement, Executive shall be eligible to receive the benefits set forth in this Article 3. The receipt of any severance payments or benefits pursuant to this Agreement is subject to Executive signing and not revoking a separation agreement and general release of claims (the “**Release**”), in substantially the form attached hereto and incorporated herein as **Exhibit A, Exhibit B** or

**Exhibit C**, as appropriate, which Release must become effective and irrevocable no later than the sixtieth (60<sup>th</sup>) day following Executive's termination of employment (the "**Release Deadline Date**"). If the Release does not become effective and irrevocable by the Release Deadline Date, Executive will forfeit any right to any severance payments or benefits under this Agreement. In no event will severance payments or benefits be paid or provided until the Release actually becomes effective and irrevocable.

**3.2. Salary and Pro-Rata Bonus Payment.** In consideration of Executive's execution and non-revocation of the Release by the Release Deadline Date, in a form provided by the Company and in accordance with Article 5, the Company shall pay Executive a severance payment equal to (i) the sum of Executive's Monthly Base Salary and Pro-Rata Bonus multiplied by (ii) the number of months in the Change in Control Severance Period, less applicable withholdings. The severance payment shall be payable (except as set forth in Article 5) in a lump sum on the first regularly-scheduled payroll date occurring on or after the Release Deadline Date.

**3.3. Health Continuation Coverage.**

a) Provided that Executive is eligible and has made the necessary elections for continuation coverage pursuant to COBRA under a health, dental or vision plan sponsored by the Company, the Company shall pay the applicable premiums (inclusive of premiums for Executive's dependents for such health, dental or vision plan coverage as in effect immediately prior to the date of the Change in Control Termination) for such continued health, dental or vision plan coverage following the date of the Change in Control Termination for up to the number of months equal to the Change in Control Benefits Period (but in no event after such time as Executive is eligible for coverage under a health, dental or vision insurance plan of a subsequent employer or as Executive and Executive's dependents are no longer eligible for COBRA coverage); provided that if continued payment by the Company of the applicable premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended, or any statute or regulation of similar effect (including, without limitation, the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing such continued payment, the Company will instead pay Executive on the first day of each month a fully taxable cash payment equal to the applicable premiums for that month, subject to applicable tax withholdings, for the remainder of the Change in Control Benefits Period. Such coverage shall be counted as coverage pursuant to COBRA. The Company shall have no obligation in respect of any premium payments (or any other payments in respect of health, dental or vision coverage from the Company) following the effective date of Executive's coverage by a health, dental or vision insurance plan of a subsequent employer. Executive shall be required to notify the Company immediately if Executive becomes covered by a health, dental or vision insurance plan of a subsequent employer. If Executive and Executive's dependents continue coverage pursuant to COBRA following the conclusion of the Change in Control Benefits Period, Executive will be responsible for the entire payment of such premiums required under COBRA for the duration of the COBRA period.

b) For purposes of this Section 3.3, (i) references to COBRA shall be deemed to refer also to analogous provisions of state law, and (ii) any applicable insurance premiums that are paid by the Company shall not include any amounts payable by Executive under a Code Section 125 health care reimbursement plan, which amounts, if any, are the sole responsibility of Executive.

**3.4. Stock Awards.** Upon a Change in Control Termination, (i) the vesting and exercisability of all outstanding options to purchase the Company's common stock (or stock appreciation rights or other rights with respect to the stock of the Company issued pursuant to any equity incentive plan of the Company) that are held by Executive on the Termination Date shall be accelerated in full, and (ii) any reacquisition or repurchase rights held by the Company with respect to common stock issued or issuable (or with respect to other rights with respect to the stock of the Company issued or issuable) pursuant to any other stock award granted to Executive pursuant to any equity incentive plan of the Company shall lapse.

## ARTICLE 4

### COVERED TERMINATION SEVERANCE BENEFITS

**4.1. Severance Benefits.** Upon a Covered Termination, and subject to the limitations and conditions set forth in this Agreement, Executive shall be eligible to receive the benefits set forth in this Article 4. The receipt of any severance payments or benefits pursuant to this Agreement is subject to Executive signing and not revoking the appropriate Release, which Release must become effective and irrevocable no later than the Release Deadline Date. If the Release does not become effective and irrevocable by the Release Deadline Date, Executive will forfeit any right to any severance payments or benefits under this Agreement. In no event will severance payments or benefits be paid or provided until the Release actually becomes effective and irrevocable.

**4.2. Salary Payment.** In consideration of Executive's timely execution and non-revocation of a full release of all claims, in a form provided by the Company and in accordance with Article 5, the Company shall pay Executive a severance payment equal to Executive's Monthly Base Salary multiplied by the number of months in the Covered Termination Severance Period, less applicable withholdings. The severance payment shall be payable (except as set forth in Article 5) in a lump sum on the first regularly-scheduled payroll date occurring on or after the Release Deadline Date.

**4.3. Health Continuation Coverage.**

a) Provided that Executive is eligible and has made the necessary elections for continuation coverage pursuant to COBRA under a health, dental or vision plan sponsored by the Company, the Company shall pay for the applicable premiums (inclusive of premiums for Executive's dependents for such health, dental or vision plan coverage as in effect immediately prior to the date of the Covered Termination) for such continued health, dental or vision plan coverage following the date of the Covered Termination for up to the number of months equal to the Covered Termination Benefits Period (but in no event after such time as Executive is eligible for coverage under a health, dental or vision insurance plan of a subsequent employer or as Executive and Executive's dependents are no longer eligible for COBRA coverage); provided that if continued payment by the Company of the applicable premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended, or any statute or regulation of similar effect (including, without limitation, the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing such continued payment, the Company will instead pay Executive on the first day of each month a fully taxable cash payment equal to the applicable premiums for that month, subject to applicable tax withholdings, for the remainder of the Covered Termination Benefits Period. Such coverage shall be counted as coverage pursuant to COBRA. The Company shall have no obligation in respect of any premium payments (or any other payments in respect of health, dental or vision coverage from the Company) following the effective date of Executive's coverage by a health, dental or vision insurance plan of a subsequent employer. Executive shall be required to notify the Company immediately if Executive becomes covered by a health, dental or vision insurance plan of a subsequent employer. If Executive and Executive's dependents continue coverage pursuant to COBRA following the conclusion of the Covered Termination Benefits Period, Executive will be responsible for the entire payment of such premiums required under COBRA for the duration of the COBRA period.

b) For purposes of this Section 4.3, (i) references to COBRA shall be deemed to refer also to analogous provisions of state law, and (ii) any applicable insurance premiums that are paid by the Company shall not include any amounts payable by Executive under a Code Section 125 health care reimbursement plan, which amounts, if any, are the sole responsibility of Executive.



## ARTICLE 5

### LIMITATIONS AND CONDITIONS ON BENEFITS

**5.1. Rights Conditioned on Compliance.** Executive's rights to receive all severance benefits described in Article 3 and Article 4 shall be conditioned upon and subject to Executive's compliance with the limitations and conditions on benefits as described in this Article 5.

**5.2. Continuation of Service Until Date of Termination.** Executive shall continue to provide service to the Company in good faith until the Termination Date, unless such performance is otherwise excused in writing by the Company.

**5.3. Release Prior to Payment of Benefits.** Upon the occurrence of a Change in Control Termination or a Covered Termination, as applicable, and prior to Executive earning any entitlement to any severance or separation benefits under this Agreement on account of such Change in Control Termination or Covered Termination, as applicable, Executive must execute the appropriate Release, and such Release must become effective in accordance with its terms, but in no event later than the Release Deadline Date. No amount shall be paid prior to such date. Instead, on the first regularly-scheduled payroll date occurring on or after the Release Deadline Date, the Company will pay Executive the severance amount that Executive would otherwise have received on or prior to such date but for the delay in payment related to the effectiveness of the Release, with the balance of the severance amount being paid as originally scheduled. The Company may modify the Release in its discretion to comply with changes in applicable law at any time prior to Executive's execution of such Release. Such Release shall specifically relate to all of Executive's rights and claims in existence at the time of such execution and shall confirm Executive's obligations under the Confidentiality Agreement and any similar obligations under applicable law. It is understood that, as specified in the applicable Release, Executive has a certain number of calendar days to consider whether to execute such Release. If Executive does not execute and deliver such Release within the applicable period, no benefits shall be provided or payable under this Agreement, and Executive shall have no further rights, title or interests in or to any severance benefits or payments pursuant to this Agreement. It is further understood that if Executive is age 40 or older at the time of a Change in Control Termination or a Covered Termination, as applicable, Executive may revoke the applicable Release within seven (7) calendar days after its execution by Executive. If Executive revokes such Release within such subsequent seven (7) day period, no benefits shall be provided or payable under this Agreement pursuant to such Change in Control Termination or Covered Termination, as applicable.

**5.4. Return of Company Property.** Not later than the Termination Date, Executive shall return to the Company all documents (and all copies thereof) and other property belonging to the Company that Executive has in his or her possession or control. The documents and property to be returned include, but are not limited to, all files, correspondence, email, memoranda, notes, notebooks, records, plans, forecasts, reports, studies, analyses, compilations of data, proposals, agreements, financial information, research and development information, marketing information, operational and personnel information, databases, computer-recorded information, tangible property and equipment (including, but not limited to, computers, facsimile machines, mobile telephones and servers), credit cards, entry cards, identification badges and keys, and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions thereof in whole or in part). Executive agrees to make a diligent search to locate any such documents, property and information. If Executive has used any personally owned computer, server or e-mail system to receive, store, review, prepare or transmit any Company confidential or proprietary data, materials or information, then within ten

(10) business days after the Termination Date, Executive shall provide the Company with a computer-useable copy of all such information and then permanently delete and expunge such confidential or proprietary information from those systems. Executive agrees to provide the Company access to Executive's system as requested to verify that the necessary copying and/or deletion is done.

#### 5.5. Cooperation and Continued Compliance with Restrictive Covenants.

a) From and after the Termination Date, Executive shall cooperate fully with the Company in connection with its actual or contemplated defense, prosecution or investigation of any existing or future litigation, arbitrations, mediations, claims, demands, audits, government or regulatory inquiries, or other matters arising from events, acts or failures to act that occurred during the time period in which Executive was employed by the Company (including any period of employment with an entity acquired by the Company). Such cooperation includes, without limitation, being available upon reasonable notice, without subpoena, to provide accurate and complete advice, assistance and information to the Company, including offering and explaining evidence, providing truthful and accurate sworn statements, and participating in discovery and trial preparation and testimony. Executive also agrees to promptly send the Company copies of all correspondence (for example, but not limited to, subpoenas) received by Executive in connection with any such legal proceedings, unless Executive is expressly prohibited by law from so doing. The Company will reimburse Executive for reasonable out-of-pocket expenses incurred in connection with any such cooperation (excluding foregone wages, salary or other compensation) within thirty (30) days of Executive's timely presentation of appropriate documentation thereof, in accordance with the Company's standard reimbursement policies and procedures, and will make reasonable efforts to accommodate Executive's scheduling needs.

b) From and after the Termination Date, Executive shall continue to abide by all of the terms and provisions of the Confidentiality Agreement (and any other comparable agreement signed by Executive), in accordance with its terms.

c) Executive agrees that the choice of law and choice of forum provisions in Section 10.10 of the Confidentiality Agreement shall be amended to conform to the choice of law and choice of forum provisions in Section 8.11 of this Agreement. No other terms of the Confidentiality Agreement are amended by this Agreement, and the Confidentiality Agreement remains in full force and effect.

d) Executive acknowledges and agrees that Executive's obligations under this Section 5.5 are an essential part of the consideration Executive is providing hereunder in exchange for which and in reliance upon which the Company has agreed to provide the payments and benefits under this Agreement. Executive further acknowledges and agrees that Executive's violation of this Section 5.5 inevitably would involve use or disclosure of the Company's proprietary and confidential information. Accordingly, Executive agrees that Executive will forfeit, effective as of the date of any breach, any right, entitlement, claim or interest in or to any unpaid portion of the severance payments or benefits provided in Article 3 or Article 4. If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 5.5 is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state.

#### 5.6. Parachute Payments.

a) **Parachute Payment Limitation.** If any payment or benefit (including payments and benefits pursuant to this Agreement) Executive would receive in connection with a Change in Control from the Company or otherwise ("**Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this paragraph, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then the Company shall cause to be determined, before any amounts of the Payment are paid to Executive, which of the following two alternative forms of

payment shall be paid to Executive: (A) payment in full of the entire amount of the Payment (a “**Full Payment**”), or (B) payment of only a part of the Payment so that Executive receives the largest payment possible without the imposition of the Excise Tax (a “**Reduced Payment**”). A Full Payment shall be made in the event that the amount received by Executive on a net after-tax basis is greater than what would be received by Executive on a net after-tax basis if the Reduced Payment were made, otherwise a Reduced Payment shall be made. If a Reduced Payment is made, (i) the Payment shall be paid only to the extent permitted under the Reduced Payment alternative, and Executive shall have no rights to any additional payments and/or benefits constituting the Payment, and (ii) reduction in payments and/or benefits shall occur in the following order: (A) reduction of cash payments; (B) cancellation of accelerated vesting of equity awards other than stock options; (C) cancellation of accelerated vesting of stock options; and (D) reduction of other benefits paid to Executive. In the event that acceleration of compensation from Executive’s equity awards is to be reduced, such acceleration of vesting shall be canceled in the reverse order of the date of grant.

b) The independent registered public accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in Control shall make all determinations required to be made under this Section 5.6. If the independent registered public accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Company shall appoint a nationally recognized independent registered public accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such independent registered public accounting firm required to be made hereunder.

c) The independent registered public accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and Executive within fifteen (15) calendar days after the date on which Executive’s right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as requested by the Company or Executive. If the independent registered public accounting firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it shall furnish the Company and Executive with an opinion reasonably acceptable to Executive that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive.

**5.7. Certain Reductions and Offsets.** To the extent that any federal, state or local laws, including, without limitation, the Worker Adjustment and Retraining Notification Act or any other so-called “plant closing” laws, require the Company to give advance notice or make a payment of any kind to Executive because of Executive’s involuntary termination due to a layoff, reduction in force, plant or facility closing, sale of business, change in control or any other similar event or reason, the benefits payable under this Agreement shall be correspondingly reduced. The benefits provided under this Agreement are intended to satisfy any and all statutory obligations that may arise out of Executive’s involuntary termination of employment for the foregoing reasons, and the parties shall construe and enforce the terms of this Agreement accordingly.

**5.8. Mitigation.** Except as otherwise specifically provided herein, Executive shall not be required to mitigate damages or the amount of any payment provided under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as a result of employment by another employer or by any retirement benefits received by Executive after the date of a Change in Control Termination or Covered Termination (except as expressly provided in Sections 3.3 and 4.3 above).

**5.9. Indebtedness of Executive.** If Executive is indebted to the Company on the effective date of a Change in Control Termination or Covered Termination, the Company reserves the right to offset any severance payments and benefits under this Agreement by the amount of such indebtedness.

**5.10. Application of Section 409A.**

a) **Separation from Service.** Notwithstanding any provision to the contrary in this Agreement, no amount deemed deferred compensation subject to Section 409A of the Code shall be payable pursuant to Article 3 or Article 4 unless Executive's termination of employment constitutes a "separation from service" with the Company within the meaning of Section 409A of the Code and the Department of Treasury Regulations and other guidance promulgated thereunder and, except as provided under Section 5.10(b) hereof, any such amount shall not be paid, or in the case of installments, commence payment, until the first regularly-scheduled payroll date occurring on or after the sixtieth (60<sup>th</sup>) day following Executive's separation from service. Any installment payments that would have been made to Executive during the sixty (60) day period immediately following Executive's separation from service but for the preceding sentence shall be paid to Executive on the first regularly-scheduled payroll date occurring on or after the sixtieth (60<sup>th</sup>) day after Executive's separation from service and the remaining payments shall be made as provided in this Agreement.

b) **Specified Executive.** Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed at the time of his or her separation from service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of Executive's "separation from service" with the Company (as such term is defined in the Treasury Regulations issued under Section 409A of the Code) or (ii) the date of Executive's death. Upon the first business day following the expiration of the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section 5.10(b) shall be paid in a lump sum to Executive, and any remaining payments due under this Agreement shall be paid as otherwise provided herein.

c) **Expense Reimbursements.** To the extent that any reimbursement payable pursuant to this Agreement is subject to the provisions of Section 409A of the Code, any such reimbursement payable to Executive pursuant to this Agreement shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred; the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year; and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

d) **Installments.** For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment.

**5.11. Tax Withholding.** All payments under this Agreement shall be subject to applicable withholding for federal, state and local income and employment taxes.

**5.12. No Duplication of Severance Benefits.** The severance and other benefits provided in Article 3 and Article 4 are mutually exclusive of each other, and in no event shall Executive receive any severance or other benefits pursuant to both Article 3 and Article 4.

## ARTICLE 6

### TERMINATION WITH CAUSE OR BY VOLUNTARY RESIGNATION; OTHER RIGHTS AND BENEFITS

**6.1. Termination for Cause by the Company.** If the Company shall terminate the Executive's employment with the Company for Cause, then upon such termination, the Company shall have no further obligation to Executive hereunder except for the payment or provision, as applicable, of (i) the portion of the Annual Base Salary for the period prior to the effective date of termination earned but unpaid (if any), (ii) all unreimbursed expenses (if any), subject to Sections 2.4 and 5.10(c), and (iii) other payments, entitlements or benefits, if any, in accordance with terms of the applicable plans, programs, arrangements or other agreements of the Company (other than any severance plan or policy) as to which the Executive held rights to such payments, entitlements or benefits, whether as a participant, beneficiary or otherwise on the date of termination ("**Other Benefits**"). For the avoidance of doubt, Executive shall have no right to receive (and Other Benefits shall not include) any amounts under any Company severance plan or policy or pursuant to Article 3 or Article 4 upon Executive's termination for Cause.

**6.2. Termination by Voluntary Resignation by the Executive (other than Resignation for Good Reason).** Upon any voluntary resignation by Executive that is not a Resignation for Good Reason, the Company shall have no further obligation to the Executive hereunder except for the payment of (i) the portion of the Annual Base Salary for the period prior to the effective date of termination earned but unpaid (if any), (ii) all unreimbursed expenses (if any), subject to Section 2.4 and Section 5.10(c), and (iii) the payment or provision of any Other Benefits. For the avoidance of doubt, Executive shall have no right to receive (and Other Benefits shall not include) any amounts under any Company severance plan or policy or pursuant to Article 3 or Article 4 upon any voluntary resignation by Executive that is not a Resignation for Good Reason.

**6.3. Other Rights and Benefits.** Nothing in this Agreement shall prevent or limit Executive's continuing or future participation in any benefit, bonus, incentive or other plans, programs, policies or practices provided by the Company and for which Executive may otherwise qualify, nor shall anything herein limit or otherwise affect such rights as Executive may have under other agreements with the Company except as provided in Article 1, Article 5, Section 6.1 and Section 6.2 above. Except as otherwise expressly provided herein, amounts that are vested benefits or that Executive is otherwise entitled to receive under any plan, policy, practice or program of the Company at or subsequent to the date of a Change in Control shall be payable in accordance with such plan, policy, practice or program.

## ARTICLE 7

### DEFINITIONS

Unless otherwise provided, for purposes of this Agreement, the following definitions shall apply:

**7.1. "Board"** means the Board of Directors of the Company.

**7.2. "Cause"** means, upon a reasonable determination by the Company, Executive's: (i) dishonest statements or acts with respect to the Company, any subsidiary or any affiliate of the Company or any subsidiary; (ii) commission by or indictment for (A) a felony or (B) any misdemeanor (excluding minor traffic violations) involving moral turpitude, deceit, dishonesty or fraud ("indictment," for these purposes, meaning an indictment, probable cause hearing or any other procedure pursuant to which an initial determination of probable or reasonable cause with respect to such offense is made); (iii) gross negligence, willful misconduct or insubordination with respect to the Company, any subsidiary or any affiliate of the Company or any subsidiary; (iv) material breach of any of Executive's obligations

under any agreement to which Executive and the Company or any subsidiary are a party; or (v) death or disability. With respect to clause (iv), Executive will be given notice and a 30-day period in which to cure such breach, only to the extent such breach can be reasonably expected to be able to be cured within such period. Executive agrees that the breach of any confidentiality obligation to the Company or any subsidiary shall not be curable to any extent.

7.3. “**Change in Control**” means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

a) Any natural person, entity or group within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (“**Exchange Act Person**”), becomes the owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company’s then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur (i) on account of the acquisition of securities of the Company by any institutional investor, any affiliate thereof or any other Exchange Act Person that acquires the Company’s securities in a transaction or series of related transactions that are primarily a private financing transaction for the Company or (ii) solely because the level of ownership held by any Exchange Act Person (the “**Subject Person**”) exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities owned by the Subject Person over the designated percentage threshold, then a Change in Control shall be deemed to occur;

b) There is consummated a merger, consolidation or similar transaction involving, directly or indirectly, the Company if, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not own, directly or indirectly, either (i) outstanding voting securities representing more than fifty percent (50%) of the combined outstanding voting power of the surviving entity in such merger, consolidation or similar transaction or (ii) more than fifty percent (50%) of the combined outstanding voting power of the parent of the surviving entity in such merger, consolidation or similar transaction;

c) The stockholders of the Company approve or the Board approves a plan of complete dissolution or liquidation of the Company, or a complete dissolution or liquidation of the Company shall otherwise occur; or

d) There is consummated a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportion as their ownership of the Company immediately prior to such sale, lease, license or other disposition.

The term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company. Notwithstanding the foregoing or any other provision of this Agreement, the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any affiliate and the participant shall supersede the foregoing definition with respect to stock awards subject to such agreement (it being understood, however, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply).

7.4. “**Change in Control Benefits Period**” means the period of twelve (12) months commencing on the Termination Date.

7.5. “**Change in Control Severance Period**” means the period of twelve (12) months commencing on the Termination Date.

7.6. “**Change in Control Termination**” means an “**Involuntary Termination Without Cause**” or “**Resignation for Good Reason**,” either of which occurs on, or within three (3) months prior to, or within twelve (12) months following, the effective date of a Change in Control, provided that any such termination is a “separation from service” within the meaning of Treasury Regulation Section 1.409A-1(h). Death and disability shall not be deemed Change in Control Terminations.

7.7. “**COBRA**” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

7.8. “**Code**” means the Internal Revenue Code of 1986, as amended.

7.9. “**Company**” means Syndax Pharmaceuticals, Inc. or, following a Change in Control, the surviving entity resulting from such transaction, or any subsequent surviving entity resulting from any subsequent Change in Control.

7.10. “**Confidentiality Agreement**” means Executive’s Assignment of Developments, Non-Disclosure, and Non-Solicitation Agreement with the Company, dated August 17, 2015 (or any successor agreement thereto).

7.11. “**Covered Termination**” means an “**Involuntary Termination Without Cause**” or “**Resignation for Good Reason**,” provided that any such termination is a “separation from service” within the meaning of Treasury Regulation Section 1.409A-1(h). Death and disability shall not be deemed Covered Terminations. If an Involuntary Termination Without Cause or Resignation for Good Reason qualifies as a Change in Control Termination, it shall not constitute a Covered Termination.

7.12. “**Covered Termination Benefits Period**” means the period of twelve (12) months commencing on the Termination Date.

7.13. “**Covered Termination Severance Period**” means the period of six (6) months commencing on the Termination Date.

7.14. “**Effective Date**” means the effective date of the first registration statement filed by the Company to register shares of its common stock for sale to the public through one or more underwriters.

7.15. “**Involuntary Termination Without Cause**” means Executive’s dismissal or discharge by the Company for reasons other than Cause and other than as a result of death or disability.

7.16. “**Monthly Base Salary**” means 1/12<sup>th</sup> of the greater of (i) Executive’s annual base salary (excluding incentive pay, premium pay, commissions, overtime, bonuses and other forms of variable compensation) as in effect on the date of a Change in Control Termination or a Covered Termination, as applicable, or (ii) in the case of a Change in Control Termination, Executive’s annual base salary (excluding incentive pay, premium pay, commissions, overtime, bonuses and other forms of variable compensation) as in effect on the date of a Change in Control.

7.17. “**Prior Employment Agreement**” means that certain offer letter agreement, between the Company and Executive, dated July 14, 2015.

7.18. “**Pro-Rata Bonus**” means 1/12<sup>th</sup> of the greater of (i) the average Target Performance Bonus paid to Executive for the three years preceding the date of a Change in Control Termination (or such lesser number of years during which Executive has been employed by the Company), or (ii) the Target Performance Bonus, as in effect on the date of a Change in Control Termination.

**7.19. "Resignation for Good Reason"** means Executive's resignation from all employee positions Executive then holds with the Company within sixty (60) days following any of the following events taken without Executive's consent, provided Executive has given the Company written notice of such event within thirty (30) days after the first occurrence of such event and the Company has not cured such event within thirty (30) days thereafter:

a) A decrease in Executive's total target cash compensation (base and bonus) of more than 10% (i.e., a material reduction in Executive's base compensation and a material breach by the Company of Executive's employment terms with the Company), other than in connection with a comparable decrease in compensation for all comparable executives of the Company;

b) Executive's duties or responsibilities are materially diminished (not simply a change in title or reporting relationships); provided, that Executive shall not be deemed to have a "**Resignation for Good Reason**" if the Company survives as a separate legal entity or business unit following the Change in Control and Executive holds materially the same position in such legal entity or business unit as Executive held before the Change in Control;

c) Either (i) Executive is required to establish residence in a location more than 50 miles from Executive's current principal personal residence or (ii) there is an increase in Executive's round-trip driving distance of more than fifty (50) miles from Executive's current principal personal residence to the principal office or business location at which Executive is required to perform services (except for required business travel to the extent consistent with Executive's prior business travel obligations) ("**Executive's Principal Place of Business**") as a result of a change in location by the Company of Executive's Principal Place of Business; provided however, that the foregoing shall not include the establishment of a secondary residence within fifty (50) miles from the Company's Waltham headquarters with Executive's consent or any commute between Executive's current principal personal residence and the Company's Waltham headquarters; or

d) The failure of the Company to obtain a satisfactory agreement from any successor to materially assume and materially agree to perform under the terms of this Agreement.

**7.20. "Termination Date"** means the effective date of the Change in Control Termination, the Covered Termination or a termination for Cause, as applicable.

## ARTICLE 8

### GENERAL PROVISIONS

**8.1. Employment Status.** This Agreement does not constitute a contract of employment or impose upon Executive any obligation to remain as an employee, or impose on the Company any obligation (i) to retain Executive as an employee, (ii) to change the status of Executive as an at-will employee or (iii) to change the Company's policies regarding termination of employment.

**8.2. Notices.** Any notices provided hereunder must be in writing, and such notices or any other written communication shall be deemed effective upon the earlier of personal delivery (including personal delivery by facsimile) or the third day after mailing by first class mail, to the Company at its primary office location and to Executive at Executive's address as listed in the Company's payroll records. Any payments made by the Company to Executive under the terms of this Agreement shall be delivered to Executive either in person or at the address as listed in the Company's payroll records.



**8.3. Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

**8.4. Waiver.** If either party should waive any breach of any provisions of this Agreement, he, she or it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

**8.5. Complete Agreement.** This Agreement, including **Exhibit A, Exhibit B** and **Exhibit C**, and the Confidentiality Agreement constitute the entire agreement between Executive and the Company and is the complete, final and exclusive embodiment of their agreement with regard to this subject matter, wholly superseding all written and oral agreements with respect to payments and benefits to Executive in the event of employment termination. It is entered into without reliance on any promise or representation other than those expressly contained herein.

**8.6. Amendment or Termination of Agreement; Continuation of Agreement.** This Agreement may be changed or terminated only upon the mutual written consent of the Company and Executive. The written consent of the Company to a change or termination of this Agreement must be signed by an executive officer of the Company (other than Executive) after such change or termination has been approved by the Board. Unless so terminated, this Agreement shall continue in effect for as long as Executive continues to be employed by the Company or by any surviving entity following any Change in Control. In other words, if, following a Change in Control, Executive continues to be employed by the surviving entity without a Change in Control Termination and the surviving entity then undergoes a Change in Control, following which Executive is terminated by the subsequent surviving entity in a Change in Control Termination, then Executive shall receive the benefits described in Article 3 hereof.

**8.7. Counterparts.** This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

**8.8. Headings.** The headings of the Articles and Sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

**8.9. Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive, and the Company, and any surviving entity resulting from a Change in Control and upon any other person who is a successor by merger, acquisition, consolidation or otherwise to the business formerly carried on by the Company, and their respective successors, assigns, heirs, executors and administrators, without regard to whether or not such person actively assumes any rights or duties hereunder; provided, however, that Executive may not assign any duties hereunder and may not assign any rights hereunder without the written consent of the Company, which consent shall not be withheld unreasonably.

**8.10. Choice of Law.** Because of the Company's and Executive's interests in ensuring that disputes regarding this Agreement are resolved on a uniform basis, the parties agree that all questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of New York, without regard for any conflict of law principles. Further, the parties consent to the jurisdiction of the state and federal courts of the State of New York for all purposes in connection with this Agreement. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which Executive or the Company may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute.

**8.11. Arbitration.** To ensure the rapid and economical resolution of any disputes that may arise under or relate to this Agreement or Executive's employment relationship, Executive and the Company agree that any and all disputes, claims, or causes of action, in law or equity, arising from or relating to the performance, enforcement, execution, or interpretation of this Agreement, Executive's employment with the Company, or the termination of Executive's employment (collectively, "Claims"), shall be resolved to the fullest extent permitted by law, by final, binding, and (to the extent permitted by law) confidential arbitration before a single arbitrator in the state where Executive is employed. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Section 1 *et seq.*, as amended, and shall be administered by the Judicial Arbitration & Mediation Services, Inc. ("JAMS"), in accordance with its then-current Employment Arbitration Rules & Procedures (the "JAMS Rules"). The JAMS Rules are also available online at <http://www.jamsadr.com/rules-employment-arbitration/>. The parties or their representatives may also call JAMS at 800.352.5267 if they have questions about the arbitration process. If the JAMS Rules are inconsistent with the terms of this Agreement, the terms of this Agreement shall govern. Notwithstanding the foregoing, this provision shall exclude Claims that by law are not subject to arbitration. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of all Claims and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision including the arbitrator's essential findings and conclusions and a statement of the award. The Company shall pay all JAMS fees in excess of the amount of filing and other court-related fees Executive would have been required to pay if the Claims were asserted in a court of law. EXECUTIVE AND THE COMPANY UNDERSTAND AND FULLY AGREE THAT BY ENTERING INTO THIS AGREEMENT, BOTH EXECUTIVE AND THE COMPANY ARE GIVING UP THE CONSTITUTIONAL RIGHT TO HAVE A TRIAL BY JURY, AND ARE GIVING UP THE NORMAL RIGHTS OF APPEAL FOLLOWING THE RENDERING OF A DECISION, EXCEPT AS THE FEDERAL ARBITRATION ACT AND APPLICABLE FEDERAL LAW ALLOW FOR JUDICIAL REVIEW OF ARBITRATION PROCEEDINGS. Nothing in this Agreement shall prevent either Executive or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or final orders in such arbitrations may be entered and enforced as judgments or orders in the federal and state courts of any competent jurisdiction in compliance with Section 8.11 of this Agreement.

**8.12. Construction of Agreement.** In the event of a conflict between the text of this Agreement and any summary, description or other information regarding this Agreement, the text of this Agreement shall control.

**8.13. Circular 230 Disclaimer.** THE FOLLOWING DISCLAIMER IS PROVIDED IN ACCORDANCE WITH THE INTERNAL REVENUE SERVICE'S CIRCULAR 230 (21 C.F.R. PART 10). ANY TAX ADVICE CONTAINED IN THIS AGREEMENT IS INTENDED TO BE PRELIMINARY, FOR DISCUSSION PURPOSES ONLY AND NOT FINAL. ANY SUCH ADVICE IS NOT INTENDED TO BE USED FOR MARKETING, PROMOTING OR RECOMMENDING ANY TRANSACTION OR FOR THE USE OF ANY PERSON IN CONNECTION WITH THE PREPARATION OF ANY TAX RETURN. ACCORDINGLY, THIS ADVICE IS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED, BY ANY PERSON FOR THE PURPOSE OF AVOIDING TAX PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON.

IN WITNESS WHEREOF, the parties have executed this Agreement on the Execution Date written above.

**SYNDAX PHARMACEUTICALS, INC.**

**EXECUTIVE**

By: /s/ Briggs W. Morrison  
Name: Briggs W. Morrison, M.D.  
Title: Chief Executive Officer

By: /s/ Michael L. Meyers  
Name: Michael L. Meyers, M.D., Ph.D.

Exhibit A: Release (Individual Termination – Age 40 or Older)

Exhibit B: Release (Individual and Group Termination – Under Age 40)

Exhibit C: Release (Group Termination – Age 40 or Older)

**EXHIBIT A**

**RELEASE**

**(INDIVIDUAL TERMINATION – AGE 40 OR OLDER)**

Certain capitalized terms used in this Release are defined in the Executive Employment Agreement (the “**Agreement**”) which I have executed and of which this Release is a part.

I hereby confirm my obligations under the Confidentiality Agreement (or other comparable agreement that I have signed, if any).

Except as otherwise set forth in this Release, I hereby release, acquit and forever discharge the Company, its parents and subsidiaries, and their officers, directors, agents, servants, employees, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys’ fees, damages, indemnities and obligations of every kind and nature, in law, equity or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed (other than any claim for indemnification I may have as a result of any third party action against me based on my employment with the Company), arising out of or in any way related to agreements, events, acts or conduct at any time prior to the date I execute this Release, including, but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with my employment with the Company or the termination of that employment, including, but not limited to, claims of intentional and negligent infliction of emotional distress, any and all tort claims for personal injury, claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; and claims pursuant to any federal, state or local law or cause of action including, but not limited to, the federal Civil Rights Act of 1964, as amended, the federal Age Discrimination in Employment Act of 1967, as amended (“**ADEA**”), the federal Employee Retirement Income Security Act of 1974, as amended, the federal Americans with Disabilities Act of 1990, the California Fair Employment and Housing Act, as amended, the New York City Human Rights Law, as amended, the Massachusetts Fair Employment Practices Law, as amended, the South Carolina Human Affairs Law, as amended, tort law, contract law, wrongful discharge, discrimination, fraud, defamation, emotional distress, and breach of the implied covenant of good faith and fair dealing; provided, however, that nothing in this paragraph shall be construed in any way to (1) release the Company from its obligation to indemnify me pursuant to the Company’s indemnification obligation pursuant to written agreement or applicable law; (2) release any claim by me against the Company relating to the validity or enforceability of this release or the Agreement; (3) prohibit me from exercising any non-waivable right to file a charge with the United States Equal Employment Opportunity Commission (“**EEOC**”), the National Labor Relations Board (“**NLRB**”), or any other government agency (provided, however, that I shall not be entitled to recover any monetary damages or to obtain non-monetary relief if the agency were to pursue any claims relating to my employment with the Company).

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have to assert claims for age discrimination under applicable law, including under the ADEA. I also acknowledge that the consideration given under the Agreement for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (A) my waiver and release do not apply to any rights or claims that may arise on or after the date I execute this Release; (B) I have the right to consult with an attorney prior to executing this Release; (C) I have twenty-one (21) days to consider this Release (although I may choose to voluntarily execute this Release earlier); (D) I have seven (7) days following my execution of this Release to revoke the Release by providing a written notice of revocation to the Company’s Chief Executive Officer; and (E) this Release shall not be effective until the date upon which the revocation period has expired, which shall be the eighth (8th) day after I execute this Release (provided that I do not revoke it).

I hereby represent that I have been paid all compensation owed and for all hours worked, I have received all the leave and leave benefits and protections for which I am eligible, pursuant to the federal Family and Medical Leave Act, any Company policy or applicable law, and I have not suffered any on-the-job injury or illness for which I have not already filed a workers' compensation claim.

I agree that I will not make any disparaging statements regarding the Company or its officers, directors, shareholders, members, agents or products jointly or severally. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

**EXECUTIVE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date:

**EXHIBIT B**

**RELEASE**

**(INDIVIDUAL AND GROUP TERMINATION – UNDER AGE 40)**

Certain capitalized terms used in this Release are defined in the Executive Employment Agreement (the “**Agreement**”) which I have executed and of which this Release is a part.

I hereby confirm my obligations under the Confidentiality Agreement (or other comparable agreement that I have signed, if any).

Except as otherwise set forth in this Release, I hereby release, acquit and forever discharge the Company, its parents and subsidiaries, and their officers, directors, agents, servants, employees, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys’ fees, damages, indemnities and obligations of every kind and nature, in law, equity or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed (other than any claim for indemnification I may have as a result of any third party action against me based on my employment with the Company), arising out of or in any way related to agreements, events, acts or conduct at any time prior to the date I execute this Release, including, but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with my employment with the Company or the termination of that employment, including, but not limited to, claims of intentional and negligent infliction of emotional distress, any and all tort claims for personal injury, claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; and claims pursuant to any federal, state or local law or cause of action including, but not limited to, the federal Civil Rights Act of 1964, as amended, the federal Employee Retirement Income Security Act of 1974, as amended, the federal Americans with Disabilities Act of 1990, the California Fair Employment and Housing Act, as amended, the New York City Human Rights Law, as amended, the Massachusetts Fair Employment Practices Law, as amended, the South Carolina Human Affairs Law, as amended, tort law, contract law, wrongful discharge, discrimination, fraud, defamation, emotional distress, and breach of the implied covenant of good faith and fair dealing; provided, however, that nothing in this paragraph shall be construed in any way to (1) release the Company from its obligation to indemnify me pursuant to the Company’s indemnification obligation pursuant to written agreement or applicable law; (2) release any claim by me against the Company relating to the validity or enforceability of this release or the Agreement; (3) prohibit me from exercising any non-waivable right to file a charge with the United States Equal Employment Opportunity Commission (“EEOC”), the National Labor Relations Board (“NLRB”), or any other government agency (provided, however, that I shall not be entitled to recover any monetary damages or to obtain non-monetary relief if the agency were to pursue any claims relating to my employment with the Company).

I acknowledge that the consideration given under the Agreement for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing that: (A) my waiver and release do not apply to any rights or claims that may arise on or after the date I execute this Release; (B) I have the right to consult with an attorney prior to executing this Release; and (C) I have twenty-one (21) days to consider this Release (although I may choose to voluntarily execute this Release earlier).

I hereby represent that I have been paid all compensation owed and for all hours worked, I have received all the leave and leave benefits and protections for which I am eligible, pursuant to the federal Family and Medical Leave Act, any Company policy or applicable law, and I have not suffered any on-the-job injury or illness for which I have not already filed a workers’ compensation claim.

I agree that I will not make any disparaging statements regarding the Company or its officers, directors, shareholders, members, agents or products jointly or severally. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

**EXECUTIVE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date:

**EXHIBIT C**

**RELEASE**

**(GROUP TERMINATION – AGE 40 OR OLDER)**

Certain capitalized terms used in this Release are defined in the Executive Employment Agreement (the “**Agreement**”) which I have executed and of which this Release is a part.

I hereby confirm my obligations under the Confidentiality Agreement (or other comparable agreement that I have signed, if any).

Except as otherwise set forth in this Release, I hereby release, acquit and forever discharge the Company, its parents and subsidiaries, and their officers, directors, agents, servants, employees, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys’ fees, damages, indemnities and obligations of every kind and nature, in law, equity or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed (other than any claim for indemnification I may have as a result of any third party action against me based on my employment with the Company), arising out of or in any way related to agreements, events, acts or conduct at any time prior to the date I execute this Release, including, but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with my employment with the Company or the termination of that employment, including, but not limited to, claims of intentional and negligent infliction of emotional distress, any and all tort claims for personal injury, claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; and claims pursuant to any federal, state or local law or cause of action including, but not limited to, the federal Civil Rights Act of 1964, as amended, the federal Age Discrimination in Employment Act of 1967, as amended (“**ADEA**”), the federal Employee Retirement Income Security Act of 1974, as amended, the federal Americans with Disabilities Act of 1990, the California Fair Employment and Housing Act, as amended, the New York City Human Rights Law, as amended, the Massachusetts Fair Employment Practices Law, as amended, the South Carolina Human Affairs Law, as amended, tort law, contract law, wrongful discharge, discrimination, fraud, defamation, emotional distress, and breach of the implied covenant of good faith and fair dealing; provided, however, that nothing in this paragraph shall be construed in any way to (1) release the Company from its obligation to indemnify me pursuant to the Company’s indemnification obligation pursuant to written agreement or applicable law; (2) release any claim by me against the Company relating to the validity or enforceability of this release or the Agreement; (3) prohibit me from exercising any non-waivable right to file a charge with the United States Equal Employment Opportunity Commission (“**EEOC**”), the National Labor Relations Board (“**NLRB**”), or any other government agency (provided, however, that I shall not be entitled to recover any monetary damages or to obtain non-monetary relief if the agency were to pursue any claims relating to my employment with the Company).

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have to assert claims for age discrimination under applicable law, including under the ADEA. I also acknowledge that the consideration given under the Agreement for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (A) my waiver and release do not apply to any rights or claims that may arise on or after the date I execute this Release; (B) I have the right to consult with an attorney prior to executing this Release; (C) I have forty-five (45) days to consider this Release (although I may choose to voluntarily execute this Release earlier); (D) I have seven



(7) days following my execution of this Release to revoke the Release by providing a written notice of revocation to the Company's Chief Executive Officer; (E) this Release shall not be effective until the date upon which the revocation period has expired, which shall be the eighth day (8th) after I execute this Release; and (F) I have received with this Release the required written disclosure for a "group termination" under the ADEA, including a detailed list of the job titles and ages of all employees who were terminated in this group termination and the ages of all employees of the Company in the same job classification or organizational unit who were not terminated.

I hereby represent that I have been paid all compensation owed and for all hours worked, I have received all the leave and leave benefits and protections for which I am eligible, pursuant to the federal Family and Medical Leave Act, any Company policy or applicable law, and I have not suffered any on-the-job injury or illness for which I have not already filed a workers' compensation claim.

I agree that I will not engage in any conduct that is injurious to the reputation of the Company or its parents, subsidiaries and affiliates, including but not limited to disparagement of the Company, its officers, Board members, employees and shareholders. The foregoing shall not be violated by a statement made in a deposition, trial or administrative proceeding in response to legal process; by any statement made to a government agency; or whenever I make any statement to a court, administrative tribunal or government agency as required by law.

**EXECUTIVE:**

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Signature

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Printed Name

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Date:



March 18, 2012

Arlene Morris  
[Address]

Dear Arlene:

I am writing to confirm our recent conversations. I am pleased to offer you employment as Chief Executive Officer ("CEO") of Syndax Pharmaceuticals, Inc. (the "Company"). Effective as of March 19, 2012, you will be working out of the Company's offices in Boston and your office in South Carolina.

1. Position. As CEO, you will be the senior most officer of the Company and have such duties and responsibilities typically associated with such senior officer, and you shall report to the Company's Board of Directors ("Board"). During your employment, you shall devote substantially all of your business efforts and time to the Company; provided, however, that you may continue to serve as a member of corporate boards of directors on which you serve on the date of this Agreement so long as such activities do not materially interfere with the discharge of your duties as CEO.

2. Compensation and Benefits. Your compensation includes a Base Salary at an annualized rate of \$400,000. You also will be eligible for those employment benefits that the Company may offer its employees generally. Currently these benefits include: health insurance, vacation days, and participation in the Company's 401(k) plan. These benefits are governed by the terms and conditions contained in the applicable plans or policies, and they are subject to change or discontinuation at any time, at the discretion of the Company.

3. Annual Bonus. You will be eligible to receive an annual Target Bonus of up to forty percent (40%) of your base annual salary, based on the successful satisfaction of objectives set by the Company's Board. You and the Board will, in good faith, agree upon written performance goals with respect to such Target Bonus no later than February 28th of each year prior to the completion of Company's initial public offering ("IPO"). After the IPO, you will consult with the Board prior to the establishment of written performance goals in accordance with the Company's then existing policies and procedures. The Target Bonus for each year, if any, will be paid to you no later than March 15th of the following calendar year; provided that, except as otherwise set out herein, you will not be eligible to earn any Target Bonus unless you are employed by the Company on the date when such bonus is paid.

4. Initial Grant of Stock Options. In connection with the commencement of your employment, the Company will grant to you at its next regularly scheduled Board meeting an option to purchase 967,278 shares of the Company's common stock (equal to approximately 1% of the Company's issued and outstanding capital stock on a fully-diluted basis as of the date of this offer letter) at an exercise price per share equal to the fair market value per share of the Company's common stock on the date of grant (as determined by the Board on the date of grant).

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The option shares issuable pursuant to this initial grant shall be immediately exercisable, subject to vesting and other terms and conditions set forth in the grant agreement, including that 25% of the shares issuable shall vest on the one year anniversary of the your employment commencement date (the "Vesting Commencement Date") and 1/36th of the remaining shares shall vest at the end of each month following the one year anniversary of such Vesting Commencement Date. In the event you exercise any options prior to the time such options have vested, any unvested shares shall be subject to a right of repurchase by the company at cost in the event your employment terminates for any reason. In connection with a Change of Control (as defined below) of the Company, all such options shall accelerate and become fully vested.

5. Additional Grant of Stock Options. In connection with an initial public offering ("IPO") of the Company's common stock, subject to approval by the Company's Board, immediately prior to the pricing of an IPO, the Company will grant to you an option to purchase up to such number of shares of common stock as would be necessary to permit you to have a post-IPO ownership interest in the Company of 1% on a fully diluted basis. Each share of common stock available for purchase under this additional stock option grant shall have an exercise price per share equal to the fair market value per share of the Company's common stock on the date of the grant, and shall vest in accordance with the Company's standard vesting schedule beginning on the Vesting Commencement Date.

6. Strategic Transaction Carve-out. In connection with a Change of Control of the Company, pursuant to the carve-out plan adopted by the Board then in effect, you shall receive prior to calculation of any payment or distribution of proceeds to stockholders a cash payment equal to the 2% of the net proceeds received in the Change of Control that are payable to stockholders after payment of any transaction-related expenses. Such payment shall be made upon the closing of the Change of Control and shall be subject to any escrow or contingent payment holdbacks applicable to the Company's stockholders, and shall be subject to any vesting requirements set forth in the carve out plan on the terms attached hereto as Exhibit A. Such carve-out plan shall terminate immediately upon the closing of the Company's IPO.

7. Promissory Note. Prior to filing a registration statement with the Securities Exchange Commission (the "SEC"), the Company will loan you the amount necessary to exercise any or all of your outstanding options in the event that you choose to exercise such options prior to an IPO (the "Note"). The parties acknowledge and agree that, to the extent you exercise unvested options with a Note, it is your intention to file an election under Section 83(b) of the Internal Revenue Code for purposes of preserving capital gains treatment on the underlying shares. Unvested shares, once purchased, shall be subject to the same restrictions and obligations as are set out in your option agreements including a right of repurchase of any unvested shares at cost in the event your employment with the Company terminates for any reason. The Note will include such customary terms as are required for an employment-related "deemed demand" loan under the Internal Revenue Code, which shall include your unconditional promise to repay the note within the five (5) years from the date of the making, interest at a market interest rate to be determined (which shall be equal to the Applicable Federal Rate on the date of making), pledge of your stock as collateral, and requirement to prepay the note upon the earliest to occur of sale of all or any portion of such collateral (such prepayment applicable only with respect to the number of collateralized shares sold), your termination for Cause or resignation without Good Reason, or the filing of the Company's first registration statement with the SEC.

8. Board Seat. You shall continue to be a member of the Board, but you shall not receive any additional compensation for your role as a member of the Board. In addition, your Board seat shall constitute the seat reserved for the CEO of the Company and you will no longer be considered an independent member of the Board.

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9. Duration. Although we expect a long and successful relationship, your employment will be at will, meaning that you or the Company can terminate it at any time, with or without Cause or notice. If the Company terminates your employment without Cause (which includes as a result of a Change of Control), or if you resign for Good Reason, and provided that you satisfy the Conditions, you shall receive the following severance benefits on the 60th day following your termination date:

(a) A lump sum payment equal to the sum of twelve (12) months of your then-current Base Salary (less applicable payroll withholding);

(b) Acceleration of vesting with respect to your outstanding equity awards as to the number of shares that would have otherwise vested during the twelve (12) month period following your termination date; and

(c) If you elect, continuation coverage under its health plans ("COBRA" coverage) for you (and, if applicable, your dependents enrolled as participants in such health plans as of the date of termination) the Company shall pay the full premium for such coverage for the twelve-month period following your termination date. In the event you become covered by another employer's plan that offers health plan benefits, such COBRA coverage shall immediately cease. To the extent such coverage cannot be provided under the Company's group health plan without jeopardizing the tax status of such plan or for underwriting reasons, the Company shall pay you an amount equal to the full premiums for a twelve-month period in a single lump sum.

As used in this paragraph:

"Cause" means (a) a substantial and repeated failure to perform your job duties, unless any such failure is corrected within thirty (30) days if such cure will fully repair any failure, following written notice by the Board or its delegate that specifically identifies the manner in which you have failed to substantially performed your duties or; (b) breach of your fiduciary duties to the Company; (c) misappropriation Company assets or fraud that is injurious to the Company; (d) your willful violation of a material Company policy; or (e) the conviction of a felony or other crime involving moral turpitude. No act, or failure to act, by you shall be "willful" unless committed without good faith and without a reasonable belief that the act or omission was in the best interest of the Company.

"Conditions" means (a) you have returned all Company property in your possession within 10 days following your termination, and (b) you have executed a full and complete general release of all claims that you may have against the Company or persons affiliated with the Company in a form acceptable to the Company (which shall include, among other terms, a mutual non-disparagement clause) and such release has become effective no later than the 30th day after your termination.

"Good Reason" means, without your express written consent, the occurrence of any of the following events: (a) a material diminution of your authority, duties or responsibilities with the Company taken as a whole; (a) a greater than 10% reduction by the Company in your Base Salary as in effect immediately prior to such reduction unless such reduction occurs in connection with an across-the-board reduction in base salaries of other similarly situated employees; (c) the requirement to establish residence in a location more than 50 miles from your current residence; and (d) the failure of the Company to obtain the assumption of this employment agreement by

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any successor company. You must give the Company written notice describing the Good Reason event in reasonable detail within ninety (90) days of your actual knowledge of the occurrence of the Good Reason event. The Company shall have thirty (30) days after its receipt of written notice to reasonably cure the event or condition cited in the written notice so that Good Reason will have not formally occurred as a result of the event in question until such cure period has expired. A termination of employment due to Good Reason shall occur no later than thirty (30) days after the expiration of such cure period or on notification by the Company that it does not intend to cure, whichever is earlier. For purposes of notice under this paragraph, if yours authority, responsibility or duties are materially diminished incrementally over a period of time (not to exceed twelve months), the "event" shall be deemed to occur when such reduction, in the aggregate, becomes material.

"Change of Control" means (a) the Company transfers all or substantially all of its assets, unless, immediately after consummation of such transaction, the shareholders of the Company immediately prior to the transaction hold, directly or indirectly, more than 50% of the voting stock of the; or (b) any merger, reorganization, consolidation or similar transaction, unless, immediately after consummation of such transaction, the shareholders of the Company immediately prior to the transaction hold, directly or indirectly, more than 50% of the voting stock of the transferee. For clarity, a Change of Control shall not include any sale of stock to the public or otherwise undertaken primarily for financing purposes.

10. Reimbursement of Expenses. The Company will reimburse you for your necessary and reasonable business expenses incurred in connection with your duties in accordance with the Company's generally applicable policies. You and the Company acknowledge that you will be required to spend a certain amount of time each month at the Company's Boston headquarters. Accordingly, the Company will reimburse, or pay for, all reasonable expenses incurred by you in connection with commuting between the Company's Boston and South Carolina offices, including your actual and reasonable living expenses incurred in the Boston area and your actual and reasonable commuting expenses incurred between Boston and your current principal residence in South Carolina, including, if applicable, hotel accommodations, a corporate apartment lease, furniture rental, airfare for commercial air travel in business or a lower class cabin, and ground transportation up to a maximum of \$10,000 per month. In addition, the Company agrees to provide you with a one-time reimbursement of your reasonable attorneys' fees incurred in connection with the negotiation and execution of this Agreement, not to exceed \$10,000.

For the avoidance of doubt, to the extent that any reimbursements payable by the Company to you under this Agreement or otherwise are subject to the provisions of Section 409A of the Internal Revenue Code, any such reimbursements will be paid no later than December 31st of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year will not affect the amount eligible for reimbursement in any subsequent year, and the right to reimbursement will not be subject to liquidation or exchange for another benefit.

11. Section 409A. For purposes of Section 409A of the Internal Revenue Code, each payment that is paid pursuant to Section 9 is hereby designated as a separate payment. The parties intend that all payments made or to be made under this Agreement comply with, or are exempt from, the requirements of Section 409A so that none of the payments or benefits will be subject to the adverse tax penalties imposed under Section 409A, and any ambiguities herein will be interpreted to so comply or be so exempt. Specifically, any severance payments made in connection with your separation from service under this Agreement and paid on or before the 15th day of the 3rd month following the end of your first tax year in which your separation from

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service occurs, or, if later, the 15th day of the 3rd month following the end of the Company's first tax year in which your separation from service occurs, is intended to be exempt pursuant to Treasury Regulation Section 1.409A-1(b)(4) and any additional severance provided in connection with your separation from service under this Agreement is intended to be exempt from Code Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii) (to the extent it is exempt pursuant to such section it will in any event be paid no later than the last day of your 2nd taxable year following the taxable year in which your separation from service has occurred). Notwithstanding the foregoing, if any of the payments provided in connection with your separation from service does not qualify for any reason to be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(4), Treasury Regulation Section 1.409A-1(b)(9)(iii), or any other applicable exemption and you are, at the time of your separation from service, a "specified employee," as defined in Treasury Regulation Section 1.409A-1(i) (i.e., you are a "key employee" of a publicly traded company), each such payment will not be made until the first regularly scheduled payroll date of the 7th month after your separation from service and, on such date (or, if earlier, the date of your death), you will receive all payments that would have been paid during such period in a single lump sum.

12. Golden Parachute Excise Tax. In the event that the Company undergoes a "change of ownership" within the meaning of Section 280G of the Internal Revenue Code, the Company shall make good faith efforts to obtain the stockholder approval required to satisfy the exemption set out in Section 280G(b)(5) of the Code and prior to such stockholder approval, you will waive your entitlement to receive any amount that would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax") if such approval is not obtained. If the Company decides not to seek such stockholder approval in good faith because of a determination that such approval is unlikely to be obtained and a payment or benefit received by you pursuant to this Agreement (a "Payment") would constitute an "excess parachute payment" within the meaning of Section 280G subject to the Excise Tax, such Payment shall be equal to a reduced amount. Such reduced amount shall be calculated as either (i) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (ii) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in your receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the reduced amount, the reduction shall occur in the following order: reduction of cash payments; cancellation of accelerated vesting of stock awards, if applicable; reduction of employee benefits. The accounting firm engaged by the Company (or its successor) for general tax purposes shall perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to you and the Company within 15 calendar days after the date on which your right to a Payment is triggered. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon you and the Company.

13. Choice of Law and Severability. This Agreement will be interpreted in accordance with the laws of the State of Delaware without giving effect to provisions governing the choice of law. If either party hereto brings any action to enforce his or its rights hereunder, the prevailing party in any such action will be entitled to recover her or its reasonable attorneys' fees and costs incurred in connection with such action.

When you report for work, you will need to provide for our review documents necessary to establish employment eligibility verification as required by the Immigration and Naturalization Service. You will also be required, as a condition of employment, to execute a Confidentiality and Proprietary Inventions Agreement in the form approved by the Board.

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Please acknowledge this letter and return it to me. We look forward to your joining the Company on March 19, 2012. If you have any further questions or require additional information, please feel free to contact me.

Sincerely,

SYNDAX PHARMACEUTICALS, INC.

By: /s/ Dennis Podlesak

Dennis Podlesak  
Chairman of the Board  
Syndax Pharmaceuticals, Inc.

Acknowledged: /s/ Arlene M. Morris  
Arlene Morris

Date: 3/20/2012

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**Exhibit A****Syndax Pharmaceuticals, Inc.  
2012 Strategic Transaction Bonus Plan**Total Pool:

4.5% of cash proceeds actually paid to investors, net of transaction costs and escrow, in a Change of Control, including a strategic partnering transaction (as defined in definitive agreement). (e.g. Total proceeds to be paid in connection with transaction = \$100m; Investors \$95.5m; Plan participants, up to \$4.5m).

Stockholder Approval:

Subject to approval of the stockholders of the Company pursuant to the current governance documents and agreements to which the stockholders are party.

Apportionment:

Arlene Morris	2.0%
Joanna Horobin	1.5%
Discretionary	1.0%

Board Discretion:

Discretionary apportionment subject to the discretion of the Board with respect to all terms and conditions, including caps, applicability to upfront proceeds and/or contingent payments and vesting.

Plan Termination:

On the earlier of Company's initial public offering or the termination of employment of a participant for "Cause" by the Company, or not for "Good Reason" by such participant.

Specific Grants:

*Arlene Morris*

Award: 2.0% of all cash proceeds (upfront and contingent/earnout) actually paid to investors.

Award Cap: None.

Vesting: Four year vesting, as follows:  
25% vests on the first anniversary of grant.  
Remaining vests 1/36 per month until fully vested.

Acceleration: Vesting shall accelerate 100% on a Change of Control.



**GENERAL RELEASE AND POST-SEPARATION CONSULTING AGREEMENT**

This General Release and Post-Separation Consulting Agreement (the "Agreement") is made and entered into by and between Arlene Morris (the "Executive") and Syndax Pharmaceuticals, Inc. (the "Company") (each a "Party," and together, the "Parties").

WHEREAS, Executive and the Company wish to resolve, except as specifically set forth herein, all claims between them arising from or relating to any act or omission predating the effective date ("Effective Date") of the General Release and Waiver of Claims ("Release") attached as Exhibit B to this Agreement;

WHEREAS, Executive and the Company have decided to terminate their employment relationship;

WHEREAS, Executive and the Company are parties to an employment agreement, dated March 18, 2012 (the "Employment Agreement"), and the Company wishes to provide to Executive the termination benefits described in Section 9 of the Employment Agreement (the "Termination Benefits") in connection with the termination of their employer-employee relationship;

WHEREAS, the Company wishes to provide to Executive additional termination benefits beyond the Termination Benefits in exchange for Executive's continued employment through May 14, 2015 and assistance with the transition of Executive's duties to her successor;

WHEREAS, the Company wishes to retain Executive as a consultant following the termination of her employment relationship so that Executive may advise the Company's executives on matters within Executive's expertise;

NOW THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth in this Agreement, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

1. Confirmation of Termination Benefits under this Agreement. The Company shall pay or provide to Executive all of the Termination Benefits described in Exhibit A to this Agreement, as, when and on the terms and conditions specified in the Employment Agreement, but as modified by Exhibit A.

2. Termination of Employment; Consulting Services.

(a) Executive's employment with the Company shall terminate effective May 14, 2015 (the "Separation Date"). Following the Separation Date, and at the request of the Company, Executive will consult with the Company's executive officers and other employees regarding certain of the Company's business and activities, as assigned by the Company to Executive from time to time, through July 13, 2015 (the "Consulting Period"); provided, however, that the parties will mutually agree in writing as to the scope and extent of Executive's services during the Consulting Period prior to the Separation Date. Executive acknowledges that the consultation is to be performed from Executive's home office and/or the Company's office in Boston, but that the consultation also may require Executive to travel from time to time.

(b) From and after the Separation Date, Executive shall be an independent contractor of the Company, and this Agreement shall not be construed to create any association, partnership, joint venture, employee or agency relationship between Executive and the Company for any purpose. After the

Separation Date, Executive shall have no authority to bind the Company or its affiliates, and Executive shall not attempt to obligate or bind the Company or any of its affiliates in any way without the Company's prior approval. All documents, including but not limited to contracts, agreements, letters of intent, employment agreements and leases, that purport to bind or obligate the Company or any of its affiliates in any respect must be signed by the appropriate representative(s) of the Company.

(c) The Company will provide Executive with support services in its Boston office for the consulting period following the Separation Date to the extent determined necessary and reasonable by the Company. During the consulting period, Executive may be engaged or employed in any other business, trade, profession or other activity which does not place Executive in a conflict of interest with the Company; provided, that, during the Consulting Period, Executive shall not be engaged in any business activities involving an HDAC inhibitor being developed to treat cancer, or otherwise prohibited by the Assignment of Developments Agreement (as defined below and except as provided in Section 8 of this Agreement), between Executive and the Company, without the Company's prior written consent to be given or withheld in its sole discretion.

(d) The Company shall pay to Executive as full compensation for the consulting services a monthly consulting fee in the gross amount of Thirty Six Thousand Four Hundred Twenty Five Dollars (\$36,425.00) (the "Consulting Fee") for each month Executive provides consulting services in accordance with Section 2(a). Executive acknowledges and agrees that the Consulting Fee does not constitute compensation for Executive's time worked and services rendered through the Separation Date, but rather constitutes consideration for Executive's agreement to provide consulting services to the Company on an "as needed" basis and as an independent consultant during the Consulting Period, and that such consideration is above and beyond any wages, salary or other sums to which Executive is entitled from the Company under the terms of her employment with the Company or under any other contract or law. Executive shall be responsible for costs or expenses incurred by Executive in connection with the performance of the consulting services, and in no event shall the Company reimburse Executive for any such costs or expenses, except that the Company will reimburse Executive for travel-related expenses when the Company requests that Executive travel in order to provide the consulting services, and the Company pre-approves any such expenses.

(e) With the exception of the Consulting Fee specified Section 2(d) above, the Company shall withhold the appropriate federal, state and local taxes, as reasonably determined by the Company, from the Termination Benefits paid under this Agreement. Executive acknowledges and agrees that the Consulting Fee shall be subject to Internal Revenue Service reporting through a Form 1099 issued to Executive. Executive will invoice the Company on a monthly basis for any consulting services provided, and the Company will pay each such invoice within thirty (30) days of receipt. Payment of the Consulting Fee will be made without any withholdings or deductions by the Company. Executive agrees that she will be exclusively liable for the payment of any taxes which may be assessed against the Consulting Fee, as well as any additional payments of interest, penalties, or assessment of attorneys' fees required by a governmental authority, taxing authority, or court in connection with the payment of the Consulting Fee. Executive further acknowledges that the Company makes no representations or warranties with respect to the tax treatment by any local, state or federal taxing authority of the Consulting Fee or other payments made under this Agreement.

(f) The Company is and shall be, the sole and exclusive owner of all right, title and interest throughout the world in and to all the results and proceeds of the consulting services performed under this Agreement (the "Deliverables"), including all patents, copyrights, trademarks, trade secrets and other intellectual property rights (collectively "Intellectual Property Rights"). Executive agrees that the Deliverables are hereby deemed a "work made for hire" as defined in 17 U.S.C. § 101 for the Company. If, for any reason, any of the Deliverables do not constitute a "work made for hire," Executive hereby irrevocably assigns to the Company, in each case without additional consideration, all right, title and interest throughout the world in and to the Deliverables, including all Intellectual Property Rights.

(g) The Company may terminate the consulting services provided under this Agreement upon written notice to Executive only if the Company determines that Executive is not willing, available or able to provide the required consulting services after reasonable attempts by the Company to obtain such consulting services from Executive. In the event of termination pursuant to this Section 2(g), the Company shall pay to Executive on a proportional basis any Consulting Fees then due and payable for any consulting services completed up to and including the date of such termination.

### 3. General Release.

(a) In conjunction with the execution of this Agreement, Executive shall execute the Release, which Release is incorporated into and made a part of this Agreement in full.

(b) Executive agrees to execute a second bring-down release, in the same form provided in Exhibit B, on the last day of the Consulting Period (the "Consulting End Date") which release shall cover the period from the Effective Date through the Consulting End Date.

4. The Parties agree that their respective rights and obligations under the Employment Agreement shall be superseded by and not survive the execution of this Agreement, including, but not limited to, Executive's rights or entitlement to any of the benefits described in Sections 3 ("Annual Bonus"), 5 ("Additional Grant of Stock Options"), 6 ("Strategic Transaction Carve-out"), and 7 ("Promissory Note") of the Employment Agreement.

5. Executive acknowledges that she has received all compensation to which she is entitled for her work up to her last day of employment with the Company, and that she is not entitled to any further pay or benefit of any kind, for services rendered or any other reason, other than the Termination Benefits she will receive under this Agreement.

6. Effective upon the Separation Date, Executive shall resign from, and hereby reaffirms her resignation, from all the offices, directorships, and other positions she held with the Company and any of its subsidiaries and affiliates, including without limitation Executive's board seat and position and employment as President and Chief Executive Officer of the Company.

7. Executive agrees that from and after the date of the receipt of this Agreement, Executive will not, directly or indirectly, provide to any person or entity any information concerning or relating to the negotiation of this Agreement or its terms and conditions, except: (i) to the extent specifically required by law or legal process or as authorized in writing by the Company; (ii) to Executive's tax advisors as may be necessary for the preparation of tax returns or other reports required by law; (iii) to Executive's attorneys as may be necessary to secure advice concerning this Agreement; or (iv) to members of Executive's immediate family. Executive agrees that prior to disclosing such information under parts (ii), (iii), or (iv), Executive will inform the recipients that they are bound by the limitations of this section. Subsequent disclosure by any such recipients will be deemed to be a disclosure by Executive in breach of this Agreement.

8. Executive agrees that any sensitive, proprietary, or confidential information or data relating to the Company or any of its affiliates or other Releasees, as defined in Exhibit B attached hereto, including, without limitation, trade secrets, processes, practices, pricing information, billing histories, customer requirements, customer lists, customer contacts, employee lists, salary information, personnel matters, financial data, operating results, plans, contractual relationships, projections for new business

opportunities, new or developing business for the Company, technological innovations in any stage of development, the Company's financial data, long range or short range plans, any confidential or proprietary information of others licensed to the Company, and all other data and information of a competition-sensitive nature (collectively, "Confidential Information"), and all notes, records, software, drawings, handbooks, manuals, policies, contracts, memoranda, sales files, or any other documents generated or compiled by any employee of the Company reflecting such Confidential Information, that Executive acquired while an employee of the Company will not be disclosed or used for Executive's own purposes or in a manner detrimental to the Company's interests. In addition, Executive hereby reaffirms Executive's existing obligations, to the fullest extent permitted by law, under the Assignment of Developments, Non-Disclosure, Non-Competition, and Non-Solicitation Agreement that Executive entered into with the Company, dated June 28, 2013, or any successor agreement thereto (the "Assignment of Developments Agreement", attached hereto as Exhibit C), including, but not limited to, the covenants in the Assignment of Developments Agreement prohibiting Executive from engaging in competition or employee solicitation for six months from the Separation Date; provided, however, that the non-competition covenant in the Assignment of Developments Agreements shall be modified so that Executive shall only be prohibited, for six months from the Separation Date, from engaging in any activities in connection with, or working for any company with, an HDAC inhibitor being developed to treat cancer.

9. Not later than ten (10) days after the Separation Date, Executive shall return to the Company all documents (and all copies thereof) and other property belonging to the Company that Executive has in her possession, custody or control. The documents and property to be returned include, but are not limited to, all files, correspondence, email, memoranda, notes, notebooks, records, plans, forecasts, reports, studies, analyses, compilations of data, proposals, agreements, financial information, research and development information, marketing information, operational and personnel information, databases, computer-recorded information, tangible property and equipment (including, but not limited to, computers, facsimile machines, mobile telephones and servers), credit cards, entry cards, identification badges and keys, and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions thereof in whole or in part). Executive agrees to make a diligent search to locate any such documents, property and information.

10. Executive agrees that she will not make to any person or entity any false, disparaging, or derogatory comments about the Company, its business affairs, its employees, clients, contractors, agents, or any of the other Releasees. The Company agrees not to authorize any communications that would disparage Executive; provided, however, that the foregoing shall not be violated by truthful statements required by legal process.

11. This Agreement and the Assignment of Developments Agreement contain the entire understanding and agreement between the Parties relating to the subject matter of this Agreement, and supersede any and all prior agreements or understandings between the Parties pertaining to the subject matter hereof. This Agreement may not be altered or amended except by an instrument in writing signed by both Executive and an authorized officer of the Company (other than Executive). Executive has not relied upon any representation or statement outside this Agreement with regard to the subject matter, basis or effect of this Agreement. This Agreement will be governed by, and construed in accordance with, the laws of the State of Delaware, excluding the choice of law rules thereof. The Parties hereby irrevocably submit to the exclusive jurisdiction of any federal or state court for the county in which the Company's principal place of business is located for any dispute arising out of or relating to this Agreement or Executive's employment with the Company, and each Party hereby irrevocably agrees that all claims in respect of such dispute or any suit, action or proceeding related thereto may be heard and determined in such courts. The language of all parts of this Agreement will in all cases be construed as a whole, according to the language's fair meaning, and not strictly for or against any of the Parties.

12. This Agreement will be binding upon and inure to the benefit of the Parties and their respective representatives, successors and permitted assigns. Neither the waiver by either Party of a breach of or default under any of the provisions of the Agreement, nor the failure of such Party, on one or more occasions, to enforce any of the provisions of the Agreement or to exercise any right or privilege hereunder will thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any provisions, rights or privileges hereunder. The Parties agree to take or cause to be taken such further actions as may be necessary or as may be reasonably requested in order to fully effectuate the purposes, terms, and conditions of this Agreement. This Agreement and the rights and obligations of the Parties hereunder may not be assigned by Executive without the prior written consent of the Company, but may be assigned by the Company or its successors and assigns without Executive's permission or consent. If any one or more of the provisions of this Agreement, or any part thereof, will be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of this Agreement will not in any way be affected or impaired thereby. This Agreement may be signed in one or more counterparts, each of which will be deemed an original, and all of which together will constitute one instrument.

13. The Parties agree that nothing contained in this Agreement will constitute or be treated as an admission of liability or wrongdoing by either of them. In any action to enforce the terms of this Agreement, the prevailing Party will be entitled to recover its costs and expenses, including reasonable attorneys' fees.

14. With respect to the Release in Exhibit B of this Agreement, Executive agrees and understands that by signing this Agreement, Executive is specifically releasing all claims under the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621 *et seq.* Executive acknowledges that she has carefully read and understands this Agreement in its entirety, and executes it voluntarily and without coercion.

(a) Executive is hereby advised to consult with a competent, independent attorney of Executive's choice, at Executive's expense, regarding the legal effect of this Agreement before signing it. Executive shall have twenty-one (21) days from receipt of this Agreement to consider whether to execute it, but Executive may voluntarily choose to execute this Agreement before the end of the twenty-one (21) day period. The Company will reimburse Executive for her legal fees incurred in connection with the negotiation of this Agreement (up to a maximum of \$10,000).

(b) Executive understands that she has seven (7) days following her execution of this Agreement to revoke it in writing, and that this Agreement is not effective or enforceable until after this seven (7) day period has expired without revocation. If Executive wishes to revoke this Agreement after signing it, Executive must provide written notice of Executive's decision to revoke the Agreement to Robin J. Samuel, Hogan Lovells US LLP, 1999 Avenue of the Stars, Suite 1400, Los Angeles, CA 90071, by no later than 12:01 a.m. on the eighth (8<sup>th</sup>) calendar day after the date by which Executive has signed this Agreement (the "Revocation Deadline").

15. The intent of the Parties is that payments and benefits under this Agreement are either exempt from or comply with Section 409A of the Internal Revenue Code ("Section 409A") and this Agreement shall be interpreted to that end. The Parties acknowledge and agree that the interpretation of Section 409A and its application to the terms of this Agreement is uncertain and may be subject to change as additional guidance and interpretations become available. In no event whatsoever shall the Company be liable for any tax, interest or penalties that may be imposed on Executive by Section 409A or any damages for failing to comply with Section 409A. In such regard, the amount payable under Exhibit A of this Agreement represents an amount that qualifies for the separate pay exception to Section 409A under Treasury Regulation Section 1.409A-1(b)(9)(iii).

16. Executive agrees not to sign this Agreement before her Separation Date. Executive understands and agrees that this Agreement shall be null and void and have no legal or binding effect whatsoever if: (1) Executive signs but then timely revokes the Agreement before the Revocation Deadline or (2) the Agreement is not signed by Executive on or before the twenty-first (21st) day after Executive receives it.

BY SIGNING BELOW, EXECUTIVE REPRESENTS AND WARRANTS THAT SHE HAS FULL LEGAL CAPACITY TO ENTER INTO THIS AGREEMENT, HAS CAREFULLY READ THIS AGREEMENT, HAS HAD A FULL OPPORTUNITY TO REVIEW THIS AGREEMENT WITH COUNSEL OF EXECUTIVE'S CHOOSING, AND HAS EXECUTED THIS AGREEMENT VOLUNTARILY, WITHOUT DURESS, COERCION OR UNDUE INFLUENCE.

**SYNDAX PHARMACEUTICALS, INC.**

**EXECUTIVE**

By: /s/ Michael A. Metzger  
Name: Michael A. Metzger  
Title: President & COO  
Date: May 13, 2015

/s/ Arlene Morris  
Arlene Morris  
Date: May 12, 2015

**ELECTION TO EXECUTE PRIOR TO EXPIRATION  
OF 21-DAY CONSIDERATION PERIOD**

I, Arlene Morris, understand that I have twenty-one (21) days within which to consider and execute the attached General Release and Post-Separation Consulting Agreement. However, after having an opportunity to consult counsel, I have freely and voluntarily elected to execute the General Release and Post-Separation Consulting Agreement before such twenty-one (21) day period has expired.

May 12, 2015  
Date

/s/ Arlene Morris  
Arlene Morris

## EXHIBIT A

### SUMMARY OF TERMINATION BENEFITS

The Termination Benefits to be provided under this Agreement, which are all subject to Executive's full and good faith compliance with this Agreement and the Assignment of Developments Agreement, including the post-employment non-competition (except as provided in Sections 2(c) and 8 of this Agreement) and non-solicitation provisions in such agreements, consist of:

- A. The gross amount of Four Hundred Thirty Seven Thousand Ninety Dollars (\$437,090.00), which is an amount equal to 12 months of Executive's base salary at the rate in effect at the time of the Separation Date, and payable in a lump sum on the first regularly-scheduled payroll date occurring on or after the 60th day following the Separation Date, in accordance with this Agreement.
- B. If Executive elects COBRA continuation coverage, the payment or reimbursement of the healthcare insurance premium for Executive and her covered dependents through the earlier of: (1) 12 months following the Separation Date; (2) the termination of Executive's qualification or eligibility for COBRA continuation coverage; or (3) Executive and her dependents becoming eligible for healthcare coverage under another employer's plan. In addition, no later than thirty (30) days after the Separation Date, Company will make a one-time payment of \$2000 into Executive's HSA.
- C. The automatic vesting of all outstanding stock options awards that are held by Executive on the Separation Date. Such amounts are set forth on Schedule A to this Agreement. Executive shall have the right to exercise such stock options awards until and including January 13, 2017. On January 14, 2017, all stock options awards held by Executive shall expire.
- D. A transition bonus of up to One Hundred Thousand Dollars (\$100,000.00), to be determined and paid in the sole discretion of the Company's Board of Directors ("Board") upon Executive's successful transition of her duties and responsibilities, which shall include the Company's successful closing of a private financing in the amount of at least \$30,000,000 with Delos Capital within four (4) months from the Separation Date, and payable in a lump sum on the first regularly-scheduled payroll date occurring on or after the 30th day following the finance closing, in accordance with this Agreement.
- E. A bonus of Seventy-Five Thousand Dollars (\$75,000.00) if the Company successfully completes a firm commitment underwritten public offering of its common stock on Form S-1 filed with the U.S. Securities and Exchange Commission under the Securities Act of 1933, as amended ("IPO") on or before December 31, 2015, and payable in a lump sum on the first regularly-scheduled payroll date occurring on or after the IPO, in accordance with this Agreement.



SCHEDULE A

OPTIONS VESTING SCHEDULE

<u>Grant Date</u>	<u>Number of Options Outstanding</u>	<u>Exercise Price per Share</u>
5/9/2013	40,650	\$ 2.46
5/9/2013	204,057	\$ 2.46
5/9/2013	40,650	\$ 2.46
9/15/2014	19,801	\$ 5.05
9/15/2014	48,452	\$ 5.05
12/18/2014	32,084	\$ 5.08

**EXHIBIT B**

**GENERAL RELEASE AND WAIVER OF CLAIMS**

Certain capitalized terms used in this Release are defined in the General Release and Post-Separation Consulting Agreement (the "Agreement") which I have executed and of which this Release is a part.

I hereby confirm my obligations under the Assignment of Developments Agreement (or other comparable agreement that I have signed, if any).

I acknowledge that I have read and understand Section 1542 of the California Civil Code which reads as follows:

**A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."**

I hereby expressly waive and relinquish all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to my release of any claims provided herein.

Except as otherwise set forth in this Release, I hereby release, acquit and forever discharge the Company, its parents and subsidiaries, and their officers, directors, agents, servants, employees, shareholders, successors, assigns and affiliates (collectively, the "Releasees"), of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys' fees, damages, indemnities and obligations of every kind and nature, in law, equity or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed (other than any claim for indemnification I may have as a result of any third party action against me based on my employment with the Company), arising out of or in any way related to agreements, events, acts or conduct at any time prior to the date I execute this Release, including, but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with my employment with the Company or the termination of that employment, including, but not limited to, claims of intentional and negligent infliction of emotional distress, any and all tort claims for personal injury, claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; and claims pursuant to any federal, state or local law or cause of action including, but not limited to, the federal Civil Rights Act of 1964, as amended, the federal Employee Retirement Income Security Act of 1974, as amended, the federal Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act, as amended, the California Fair Employment and Housing Act, as amended, the New York City Human Rights Law, as amended, the Massachusetts Fair Employment Practices Law, as amended, the South Carolina Human Affairs Law, as amended, tort law, contract law, wrongful discharge, discrimination, fraud, defamation, emotional distress, and breach of the implied covenant of good faith and fair dealing.

Nothing in this Release, however, shall be construed in any way to (1) release the Company from its obligation to indemnify me pursuant to the Company's indemnification obligation pursuant to written agreement or applicable law; (2) release any claim by me against the Company relating to the validity or enforceability of this release or the Agreement; or (3) prohibit me from exercising any non-waivable right to file a charge with the United States Equal Employment Opportunity Commission ("EEOC"), the National Labor Relations Board ("NLRB"), or any other government agency (provided, however, that I shall not be entitled to recover any monetary damages or to obtain non-monetary relief if the agency were to pursue any claims relating to my employment with the Company).

I acknowledge that the consideration given under the Agreement for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing that: (A) my waiver and release do not apply to any rights or claims that may arise on or after the date I execute this Release; (B) I have the right to consult with an attorney prior to executing this Release; and (C) I have twenty one (21) days from the Separation Date to consider this Release (although I may choose to voluntarily execute this Release before the expiration of such twenty one day period), and (D) I have seven (7) days from the date I sign this Release to revoke it.

I hereby represent that I have been paid all compensation owed and for all hours worked, I have received all the leave and leave benefits and protections for which I am eligible, pursuant to the federal Family and Medical Leave Act, the California Family Rights Act, any Company policy or applicable law, and I have not suffered any on-the-job injury or illness for which I have not already filed a workers' compensation claim.

**EXECUTIVE:**

/s/ Arlene M. Morris

Signature

Arlene M. Morris

Printed Name

Date: May 12, 2015

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**EXHIBIT C**

**ASSIGNMENT OF DEVELOPMENTS AGREEMENT**

**Syndax Pharmaceuticals, Inc.**

**ASSIGNMENT OF DEVELOPMENTS,  
NON-DISCLOSURE, NON-COMPETITION,  
AND NON-SOLICITATION AGREEMENT**

RECITALS

A. Syndax Pharmaceuticals, Inc. (the "Company") is involved in an extremely competitive industry in which confidentiality of its proprietary information is a valuable corporate asset.

B. The Company's Confidential Information (defined herein) is vital to the success of the Company's business and have been or will be developed or attained by great efforts and expense to the Company.

C. I acknowledge that as of the date of this Agreement and continuing thereafter, I will be provided by the Company with Confidential Information, including trade secrets, concerning the Company and its customers and I recognize the importance of protecting the Company's rights in and to such Confidential Information.

D. The Company's competitive position in the line of business in which it is engaged depends in part upon its ability to safeguard Confidential Information.

E. The Confidential Information being provided to me (pursuant to this Agreement) is necessary for the performance of my duties and could damage the Company or third parties if such Confidential Information were made known to any entity or person engaged in business activities that are in competition with the Company. I acknowledge that without the Company's provision of such Confidential Information I would not be able to accomplish my job duties.

F. The Company will not provide, or will not agree to continue to provide, me with this Confidential Information unless I provide the necessary assurances and commitments to protect this information and the Company's business interests as more fully set forth herein.

G. This Agreement was made available to me prior to the date hereof so as to provide me with an adequate amount of time in which to read the entire Agreement and review its provisions with my counsel and advisors.

H. I understand the meaning and effect of the terms of this Agreement, and due to the extremely competitive nature of the business in which Syndax Pharmaceuticals, Inc. is engaged, I agree that the restrictions contained herein are reasonable and necessary.

NOW, THEREFORE, in consideration of the covenants herein, my employment or continued employment with the Company, and for other good and valuable consideration, I hereby covenant and agree with the Company as follows:

## ARTICLE I

### Definitions

1.1 Company: The term "Company" shall mean Syndax Pharmaceuticals, Inc. and any parent, subsidiary, affiliate, successor or assign of Syndax Pharmaceuticals, Inc. for which I work or from which I, as an employee, obtained or could have obtained Confidential Information and/or benefited from the business relationships involving Syndax Pharmaceuticals, Inc.

1.2 Confidential Information: The term "Confidential Information" shall mean any trade secret, proprietary or confidential information concerning the organization, personnel, business, finances, products, research and development initiatives, preclinical or clinical trials, or contractual transactions or obligations of the Company, or of any third party which the Company is under an obligation to keep confidential, and that is maintained by the Company as confidential. Such Confidential Information shall include, but is not limited to, trade secrets, proprietary or confidential information respecting existing and future products and services, designs, methods, formulas, drafts of publications, research, know-how, preclinical or clinical trial results, techniques, systems, databases, processes, software programs or code, developments or experimental work, works of authorship, customer lists and/or customer information, business plans, marketing plans, financial information, sales techniques, projects, correspondence with governmental or administrative bodies, the Company's salary and/or pay rates, other Company personnel information, and all other Company plans and proposals.

1.3 Developments: The term "Developments" shall mean any invention, modification, discovery, design, development, improvement, process, software program, work of authorship, documentation, formula, data, technique, know-how, trade secret or intellectual property right whatsoever or any interest therein (whether or not patentable or registrable under copyright, trademark or similar statutes).

## ARTICLE II

### Disclosure of Developments

2.1 I agree that I will forthwith communicate in writing to the Board of Directors of the Company, or such officer or individual as the Board of Directors of the Company may from time to time designate, a full and complete disclosure of any and all Developments, research and other information, discoveries and improvements made, developed, conceived and/or reduced to practice by me, alone, or jointly with others (i) while in the employ of the Company and (ii) during a one (1) year period following the termination of my employment or other association with the Company if such Developments, research, discoveries or improvements relate to the business of the Company.

2.2 The business of the Company includes any technical or business interest that has been worked on by the Company in the past, or in which there is work in progress at the Company during the period of my employment with the Company. The business interests of the Company include Company operations or activities in the planning stages. I understand that this disclosure of Developments and the following assignment of Developments does not cover any of my patents or patents applications that are filed or based exclusively on inventions made by me before my employment with the Company.

**ARTICLE III**  
Assignment of Developments

3.1 If at any time or times during my employment or other association with the Company, I shall (either alone or with others) make, conceive, create, discover, invent or reduce to practice any Development that (i) relates to the business of the Company or any customer of or supplier to the Company or any of the products or services being developed, manufactured or sold by the Company or which may be used in relation therewith; or (ii) results from tasks assigned to me by the Company; or (iii) results from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by the Company, then all such Developments and the benefits thereof are and shall immediately become the sole and absolute property of the Company and its assigns, as works made for hire or otherwise. I shall promptly disclose to the Company (or any persons designated by it) each such Development. I hereby assign all rights (including, but not limited to, rights to inventions, patentable subject matter, copyrights and trademarks) I may have or may acquire in the Developments and all benefits and/or rights resulting therefrom to the Company and its assigns without further compensation and shall communicate, without cost or delay, and without disclosing to others the same, all available information relating thereto (with all necessary plans and models) to the Company.

3.2 I will assist, upon request, in locating writings and other physical evidence of the making of my Developments and provide unrecorded information relating to them, and give testimony in any proceeding in which any of my Developments or any application or patent directed thereto may be involved, provided that if I am no longer employed by the Company, reasonable compensation shall be paid for such services. Notwithstanding the foregoing, no obligation is imposed on the Company to remunerate at a higher rate for the giving of testimony than the rate established by law for the compensation of witnesses in the court or tribunal where the testimony is taken. To the extent feasible, the Company will use its best efforts to request such assistance at times and places as will least interfere with any other employment of mine.

3.3 I will promptly disclose to the Company all material which I produce, compose or write, individually or in collaboration with others, which arises out of work delegated to me by the Company. I agree that all such material constitutes a work for hire, and at the expense of the Company, I will assign to the Company all my interest in such copyrightable material and will sign all papers and do all other acts necessary to assist the Company to obtain copyrights on such material in any and all countries.

3.4 Any Development relating to the Company's business made by me within one (1) year following the termination of my employment (and which is required to be disclosed in accordance with Section 2.1 above) shall be presumed to be owned by the Company.

3.5 I represent that the Developments identified in the Appendix attached hereto, if any, comprise all the Developments that I have made or conceived prior to my employment by the Company, which Developments are excluded from this Agreement. I understand that it is

only necessary to list the title of such Developments and the purpose thereof, but not details of the Development itself. IF THERE ARE ANY SUCH DEVELOPMENTS TO BE EXCLUDED, THE UNDERSIGNED SHOULD INITIAL HERE; OTHERWISE IT WILL BE DEEMED THAT THERE ARE NO SUCH EXCLUSIONS.

**1. ARTICLE IV**  
**Non-Disclosure**

4.1 I agree that I will not, at any time, whether during or after the termination of my employment, without first obtaining the written approval of the Board of Directors of the Company, or of such officer or individual as the Board of Directors of the Company may from time to time designate, divulge or disclose to any person or entity outside of the Company, whether by private communications or by public address or publication, or otherwise, any Confidential Information, except to the extent that such disclosure is necessary to perform my duties and fulfill my responsibilities as an employee of the Company. All original and copies of any Confidential Information or other written materials relating to the business of the Company, however and whenever produced, shall be the sole property of the Company and shall be surrendered to the Company upon termination of my employment.

4.2 I shall keep confidential all matters entrusted to me and shall not use or attempt to use any Confidential Information, including confidential information related to third parties which the Company is obligated to maintain as confidential, except as may be required in the ordinary course of performing my duties as an employee of the Company, nor shall I use any Confidential Information in any manner which may injure or cause loss or may be calculated to injure or cause loss to the Company, whether directly or indirectly.

**ARTICLE V**  
**Non-Competition**

5.1 I agree that while in the employ of the Company and for six months thereafter (the "Restriction Term"), regardless of the reasons for my termination, I shall not, directly or indirectly, alone or as a consultant, partner, officer, director, employee, joint venturer, lender or stockholder of any entity (a) accept employment or establish any other relationship with any business within the United States that is in competition with the products or services created, developed or under development, manufactured or planning to be manufactured, marketed or planning to be marketed, distributed or planning to be distributed, sold or planning to be sold, by the Company at the time of my termination (collectively, the "Products And Services"), or (b) engage in any business or activity within the United States that is in competition with the Products And Services, provided, however, that the record or beneficial ownership of five (5) percent or less of the outstanding publicly traded capital stock of any entity shall not be deemed, in and of itself, to be in violation of this Section. Notwithstanding the above, for Company employees classified as sales persons assigned to a distinct geographic area and for employees classified as service providers with an assigned geographic area, the geographic scope of their Restriction Term shall be limited to the geographic area to which assigned as an employee of Company.



**ARTICLE VI**  
Non-Solicitation Of Employees

6.1 I agree that during the Restriction Term, regardless of the reasons for my termination, I will not directly or indirectly, alone or as a consultant, partner, officer, director, employee, joint venturer, lender or stockholder of any entity, recruit or solicit for hire any Company employee, agent, representative or consultant, or any such person who has terminated his/her relationship with the Company within six months of my departure from the Company.

**ARTICLE VII**  
Company Property

7.1 I agree that during my employment I shall not make, use or permit to be used any Company Property otherwise than for the benefit of the Company. The term "Company Property" shall include all notes, memoranda, reports, lists, records, drawings, sketches, rolodexes, specifications, software programs, software code, data, computers, cellular telephones, pagers, palm pilots and their equivalents, credit and/or calling cards, keys, access cards, documentation or other materials of any nature and in any form, whether written, printed, electronic or in digital format or otherwise, relating to any matter within the scope of the business of the Company or concerning any of its dealings or affairs, and any other Company property in my possession, custody or control. I further agree that I shall not, after the termination of my employment, use or permit others to use any such Company Property. I acknowledge and agree that all Company Property shall be and remain the sole and exclusive property of the Company. Immediately upon the termination of my employment I shall deliver all Company Property in my possession, and all copies thereof, to the Company.

**ARTICLE VIII**  
Employment At-Will

8.1 I understand that this Agreement does not alter my status as an "at-will" employee of the Company. Accordingly, I understand that either the Company or I may terminate my employment at any time, for any or no reason, with or without prior notice.

**ARTICLE IX**  
Best Efforts

9.1 During the period of my employment by the Company, I shall devote my full time and best efforts to the Company's business, and I shall neither pursue any business opportunity outside the Company nor take any position with any organization other than the Company without the approval of the Company's Chief Executive Officer, provided, however, that I may participate in professional, civic, social and/or charitable activities that do not adversely affect my ability to carry out my responsibilities to the Company.

**ARTICLE X**  
General Provisions

10.1 I agree that this Agreement shall be binding upon me irrespective of the duration of my employment or other association with the Company, the reasons for the cessation of my employment or other association with the Company, or the amount of my wages and/or salary.

10.2 This Agreement sets forth the complete, sole and entire agreement between the parties with respect to the subject matter herein and supersedes any and all other agreements, negotiations, discussions, proposals, or understandings, whether oral or written, previously entered into, discussed or considered by the parties. No modification or variation to this Agreement shall be deemed valid unless in writing and signed by the Company.

10.3 This Agreement shall be binding upon my heirs, executors, administrators and legal representatives, and shall inure to the benefit of the successors and assigns of the Company. I shall not assign this Agreement.

10.4 I represent and warrant to the Company that I am not under any obligations to any person, firm, corporation, or other business entity, and have no other interest which is inconsistent or in conflict with this Agreement, or which would prevent, limit or impair, in any way, the performance by me of any of the covenants hereunder or my duties in my employment with the Company. I have not entered into, and shall not enter into, any agreement either oral or written in conflict herewith.

10.5 I represent that my employment with the Company and my performance of all of the terms of this Agreement do not and will not breach any agreement to keep in confidence, proprietary information acquired by me in confidence or trust prior to my employment by the Company, nor will it violate any non-solicitation and/or non-competition agreements entered into prior to my employment with the Company. I have not entered into, and I shall not enter into, any agreement, either written or oral, in conflict herewith.

10.6 I agree that any breach of this Agreement by me will cause irreparable damage to the Company and in the event of such breach the Company shall have, in addition to any and all remedies of law, the right to an injunction, specific performance or other equitable relief to prevent the violations of my obligations hereunder.

10.7 Any waiver by the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of such provision or any other provision hereof. In addition, any amendment to or modification of this Agreement or any waiver of any provision hereof must be in writing and signed by the Company.

10.8 I agree that each provision and the subparts of each provision herein shall be treated as a separate and independent clause, and the unenforceability of any one clause shall in no way impair the enforceability of any of the other clauses of the Agreement. Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise, so as to be unenforceable by law, such provision or provisions shall be construed by the appropriate judicial body by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear. I hereby further agree that the language of all parts of this agreement shall in all cases be construed as a whole according to its fair meaning and not strictly for or against either of the parties.

10.9 The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

10.10 I acknowledge and agree that the Company conducts business globally and that the Company has an interest in the uniform interpretation and enforcement of its Employment Agreements. Accordingly, I acknowledge and agree that this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts and shall in all respects be interpreted, enforced and governed under the internal and domestic laws of such state, without giving effect to the principles of conflicts of laws of such state. I further agree that any claims or legal actions by one party against the other arising out of the relationship between the parties contemplated herein (whether or not arising under this Agreement) shall be governed by the laws of the Commonwealth of Massachusetts and shall be commenced and maintained in any state or federal court located in such state, and I hereby submit to the jurisdiction and venue of any such court.

I REPRESENT THAT I HAVE READ THE FOREGOING AGREEMENT, THAT I FULLY UNDERSTAND THE TERMS AND CONDITIONS OF SUCH AGREEMENT AND THAT I AM KNOWINGLY AND VOLUNTARILY ENTERING INTO THIS AGREEMENT. NO PROMISES OR REPRESENTATIONS (OTHER THAN THE REPRESENTATIONS SET FORTH HEREIN) HAVE BEEN MADE TO ME TO INDUCE ME TO SIGN THIS AGREEMENT.

Name: Arlene Morris

Employee: /s/ Arlene Morris  
Signature

Date: June 28, 2013

Witness: /s/ John Pallies

Date: June 28, 2013

## INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (this “**Agreement**”) is made and entered into as of \_\_\_\_\_, 2015 between Syndax Pharmaceuticals, Inc., a Delaware corporation (the “**Company**”), and \_\_\_\_\_, an individual (“**Indemnitee**”). This Agreement will become effective only upon the effectiveness of the Company’s registration statement on Form S-1 in connection with the Company’s initial public offering.

WITNESSETH THAT:

WHEREAS, Indemnitee performs a valuable service for the Company;

WHEREAS, the Board of Directors of the Company (the “**Board**”) has adopted bylaws (the “**Bylaws**”) providing for the indemnification of the officers and directors of the Company to the maximum extent authorized by the Delaware General Corporation Law (the “**DGCL**”);

WHEREAS, the Bylaws and Section 145 of the DGCL, as amended (“**Section 145**”), by their nonexclusive nature, permit contracts between the Company and the officers or directors of the Company with respect to indemnification of such officers or directors;

WHEREAS, this Agreement is supplemental to and in furtherance of the Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder;

WHEREAS, in accordance with the authorization as provided by Section 145, the Company may purchase and maintain a policy or policies of directors’ and officers’ liability insurance, covering certain liabilities which may be incurred by its officers or directors in the performance of their obligations to the Company; [and]

WHEREAS, in order to induce Indemnitee to continue to serve as an officer or director of the Company, the Company has determined and agreed to enter into this contract with Indemnitee; and

WHEREAS, Indemnitee is a representative of \_\_\_\_\_ and has certain rights to indemnification and/or insurance provided by \_\_\_\_\_ which Indemnitee and \_\_\_\_\_ intend to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided herein, with the Company’s acknowledgement and agreement to the foregoing being a material condition to Indemnitee’s willingness to serve on the Board].<sup>1</sup>

NOW, THEREFORE, in consideration of Indemnitee’s service as an officer or director after the date hereof, the parties hereto agree as follows:

1. Indemnification of Indemnitee. The Company hereby agrees to hold harmless and indemnify Indemnitee to the full extent authorized or permitted by the provisions of Section 145, as such may be amended from time to time, and the Bylaws, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) Proceedings Other Than Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 1(a) if, by reason of Indemnitee’s Corporate Status (as defined in Section 12 hereof), Indemnitee is, or is threatened to be

<sup>1</sup> To be inserted as applicable

made, a party to or participant in any Proceeding (as defined in Section 12 hereof) other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 1(a), the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law against all Expenses (as defined in Section 12 hereof), judgments, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement) actually and reasonably incurred by Indemnitee, or on Indemnitee's behalf, in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful. The parties hereto intend that this Agreement shall provide to the fullest extent permitted by law for indemnification in excess of that expressly permitted by statute, including, without limitation, any indemnification provided by the certificate of incorporation of the Company (the "**Certificate of Incorporation**"), the Bylaws, vote of its stockholders or Disinterested Directors (as defined in Section 12 hereof) or applicable law.

(b) Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 1(b) if, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 1(b), the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee, or on Indemnitee's behalf, in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. No indemnification of Expenses shall be made under this Section 1(b) in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Court of Chancery of the State of Delaware or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

(c) Indemnification of Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with each successfully resolved claim, issue or matter to the fullest extent permitted by law. For purposes of this Section 1(c) and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

## 2. Additional Indemnity.

(a) In addition to, and without regard to any limitations on, the indemnification provided for in Section 1 hereof, the Company shall and hereby does indemnify and hold harmless Indemnitee, to the fullest extent permitted by applicable law, against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on Indemnitee's behalf if, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including,

without limitation, all liability arising out of the negligence or active or passive wrongdoing of Indemnitee. The only limitation that shall exist upon the Company's obligations pursuant to this Agreement shall be that the Company shall not be obligated to make any payment to Indemnitee that is finally determined (under the procedures, and subject to the presumptions, set forth in Sections 6 and 7 hereof) to be unlawful under Delaware law.

(b) For the purposes of Section 2(a), the meaning of the phrase "to the fullest extent permitted by applicable law" shall include, but not be limited to:

(i) to the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL, and

(ii) to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

3. Indemnification of Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness or otherwise asked to participate in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

4. Advancement of Expenses. Notwithstanding any provision of this Agreement to the contrary (other than Section 6), the Company shall advance, to the extent not prohibited by law, the Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding (or any part of any Proceeding) not initiated by Indemnitee. Such advancement shall be made within ten (10) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by an undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Any advances and undertakings to repay pursuant to this Section 4 shall be unsecured and interest free. Notwithstanding the foregoing, the obligation of the Company to advance Expenses pursuant to this Section 4 shall be subject to the condition that, if, when and to the extent that the Company determines that Indemnitee would not be permitted to be indemnified under applicable law, the Company shall be entitled to be reimbursed, within thirty (30) days of such determination, by Indemnitee (who hereby agrees to reimburse the Company) for all such amounts theretofore paid; provided, however, that if Indemnitee has commenced or thereafter commences legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee should be indemnified under applicable law, any determination made by the Company that Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and Indemnitee shall not be required to reimburse the Company for any advance of Expenses until a final judicial determination is made with respect thereto (and as to which all rights of appeal therefrom have been exhausted or lapsed). No other form of undertaking shall be required other than the execution of this Agreement.

5. Procedures and Presumptions for Determination of Entitlement to Indemnification. It is the intent of this Agreement to secure for Indemnitee rights of indemnity that are as favorable as may be permitted under Section 145 and public policy of the State of Delaware. Accordingly, the parties agree

that the following procedures and presumptions shall apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

(a) To obtain indemnification (including, but not limited to, the advancement of Expenses and contribution by the Company) under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 5(a) hereof, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following three methods, which shall be at the election of Indemnitee: (i) by a majority vote of the Disinterested Directors, even though less than a quorum, (ii) by Independent Counsel (as defined in Section 12 hereof) in a written opinion or (iii) by the stockholders.

(c) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 5(b) hereof, the Independent Counsel shall be selected as provided in this Section 5(c). The Independent Counsel shall be selected by Indemnitee (unless Indemnitee requests that such selection be made by the Board). Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 12 hereof, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty (20) days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 5(a) hereof and the final disposition of the Proceeding, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware or other court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 5(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 5(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 5(c), regardless of the manner in which such Independent Counsel was selected or appointed.

(d) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(e) For the purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise (as defined in Section 12 hereof), including financial statements, or on information supplied to Indemnitee by the directors or officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an



independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 5(e) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(f) If the person, persons or entity empowered or selected under this Section 5 to determine whether Indemnitee is entitled to indemnification shall not have made a determination within thirty (30) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such thirty (30)-day period may be extended for a reasonable time, not to exceed an additional fifteen (15) days, if the person, persons or entity making such determination with respect to entitlement to indemnification in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 5(f) shall not apply if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 5(b) hereof and if (x) within fifteen (15) days after receipt by the Company of the request for such determination, the Board or the Disinterested Directors, if appropriate, resolve to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (y) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat.

(g) Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Independent Counsel, member of the Board or stockholder of the Company shall act reasonably and in good faith in making a determination regarding the Indemnitee's entitlement to indemnification under this Agreement. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(h) The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

## 6. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 5 hereof that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 4 hereof, (iii) no determination of entitlement to indemnification is made pursuant to Section 5(b) hereof within ninety (90) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 5 hereof, or (vi) in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at Indemnitee's option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within one hundred eighty (180) days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 6(a). The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 5(b) hereof that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 6 shall be conducted in all respects as a *de novo* trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 5(b) hereof. In any judicial proceeding or arbitration commenced pursuant to this Section 6 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) If a determination shall have been made pursuant to Section 5(b) hereof that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 6, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 6, seeks a judicial adjudication of Indemnitee's rights under, or to recover damages for breach of, this Agreement, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall pay on Indemnitee's behalf, in advance, any and all expenses (of the types described in the definition of Expenses in Section 12 hereof) actually and reasonably incurred by Indemnitee in such judicial adjudication, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of expenses or insurance recovery.

(e) The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 6 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

7. Non-Exclusivity; Survival of Rights; Insurance; Primacy of Indemnification; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders, a resolution of directors or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Section 145, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents or fiduciaries of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any director, officer, employee, agent or fiduciary under such policy or policies.

(c) [Except as provided in subparagraph (e) below,]<sup>2</sup> in the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee (other than against the Fund Indemnitors (as defined below)), who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) [Except as provided in subparagraph (e) below,]<sup>3</sup> the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) [The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of expenses and/or insurance provided by \_\_\_\_\_ and/or certain of its affiliates (collectively, the "**Fund Indemnitors**"). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the Certificate of

<sup>2</sup> To be inserted as applicable

<sup>3</sup> To be inserted as applicable

Incorporation or Bylaws (or any agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Fund Indemnitors, and, (iii) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Fund Indemnitors are express third party beneficiaries of the terms hereof.<sup>14</sup>

8. Liability Insurance. The Company shall maintain liability insurance applicable to directors, officers, employees, or agents, and Indemnitee shall be covered by such policies in such a manner as to provide such Indemnitee the same rights and benefits as are provided to the most favorably insured of the Company's directors. The Company shall notify Indemnitee of any change, lapse or cancellation of such coverage.

9. Exception to Right of Indemnification. Notwithstanding any other provision of this Agreement, Indemnitee shall not be entitled to indemnification under this Agreement with respect to any Proceeding brought by Indemnitee, or any claim therein, unless (a) the bringing of such Proceeding or making of such claim shall have been approved by the Board or (b) such Proceeding is being brought by Indemnitee to assert, interpret or enforce Indemnitee's rights under this Agreement. The Company shall not be obligated to indemnify Indemnitee against amounts paid in settlement of a Proceeding against Indemnitee if such settlement is effected by Indemnitee without the Company's prior written consent, which consent shall not be unreasonably withheld, unless such settlement solely involves the payment of money or performance of any obligation by persons other than the Company and includes an unconditional release of the Company by all relevant parties from all liability on any matters that are the subject of such Proceeding and an acknowledgment that the Company denies all wrongdoing in connection with such matters. The Company shall not, without the prior written consent of Indemnitee, which consent shall not be unreasonably withheld, effect any settlement of any Proceeding against Indemnitee or which could have been brought against Indemnitee or which potentially or actually imposes any cost, liability, exposure or burden on Indemnitee, unless such settlement solely involves the payment of money or performance of any obligation by persons other than Indemnitee and includes an unconditional release of Indemnitee by all relevant parties from all liability on any matters that are the subject of such Proceeding and an acknowledgment that Indemnitee denies all wrongdoing in connection with such matters.

10. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is an officer or director of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Indemnitee could be subject to any Proceeding (or any proceeding commenced under Section 6 hereof) by reason of Indemnitee's Corporate Status, whether or not Indemnitee is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives.

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<sup>4</sup> To be inserted as applicable

11. **Security.** To the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee.

12. **Definitions.** For purposes of this Agreement:

(a) "**Corporate Status**" means the status of a person who is or was a director (including, without limitation, serving as a member of any committee or subcommittee of the Board), officer, employee, agent or fiduciary of the Company (or any subsidiary of the Company) or of any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving at the express written request of the Company.

(b) "**Disinterested Director**" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(c) "**Enterprise**" means the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the express written request of the Company as a director, officer, employee, agent or fiduciary.

(d) "**Expenses**" means all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding. Expenses also shall include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 6(d) only, Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement, by litigation or otherwise. The parties agree that for the purposes of any advancement of Expenses for which Indemnitee has made written demand to the Company in accordance with this Agreement, all Expenses included in such demand that are certified by affidavit of Indemnitee's counsel as being reasonable shall be presumed conclusively to be reasonable. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(e) "**Independent Counsel**" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) **“Proceeding”** means any threatened, pending or completed action, suit, claim, counterclaim, cross claim, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether of a civil, criminal, administrative, legislative or investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of the fact that Indemnitee is or was an officer or director of the Company, by reason of any action taken by Indemnitee or of any inaction on Indemnitee’s part while acting as an officer or director of the Company, or by reason of the fact that Indemnitee is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other Enterprise or of any action (or failure to act) on Indemnitee’s part while acting pursuant to Indemnitee’s Corporate Status; in each case whether or not Indemnitee is acting or serving in such capacity at the time any liability or Expense is incurred for which indemnification, reimbursement, or advancement of Expenses can be provided under this Agreement; including one pending on or before the date of this Agreement, but excluding one initiated by an Indemnitee pursuant to Section 6 hereof to enforce Indemnitee’s rights under this Agreement. If the Indemnitee believes in good faith that a given situation may lead to or culminate in the institution of a Proceeding, this shall be considered a Proceeding under this paragraph.

13. Severability. If any provision or provisions of this Agreement shall be held by a court of competent jurisdiction to be invalid, void, illegal or otherwise unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee indemnification rights to the fullest extent permitted by applicable laws. In the event any provision hereof conflicts with any applicable law, such provision shall be deemed modified, consistent with the aforementioned intent, to the extent necessary to resolve such conflict.

14. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

15. Modification and Waiver. No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

16. Notice By Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise unless and only to the extent that such failure or delay materially prejudices the Company.

17. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, or (iii) mailed with a nationally recognized overnight courier specifying next day delivery with written verification of receipt, on the first business day after the date on which it is so mailed:

(a) If to Indemnitee, to the address set forth below Indemnitee signature hereto.

(b) If to the Company, to:

Syndax Pharmaceuticals, Inc.  
400 Totten Pond Road, Suite 110  
Waltham, Massachusetts 02451  
Attention: Chief Executive Officer

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

18. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding, and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

19. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

20. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

21. Governing Law. The parties agree that this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware without application of the conflict of laws principles thereof.

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22. Gender. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate.



IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

**SYNDAX PHARMACEUTICALS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**INDEMNITEE**

[Indemnitee name]

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SIGNATURE PAGE TO INDEMNIFICATION AGREEMENT**

\*\*\* INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

## LICENSE, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT

THIS LICENSE, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT (the "Agreement"), effective as of the 26th day of March, 2007 (the "Effective Date"), is entered into by and between **BAYER SCHERING PHARMA AG (formerly known as SCHERING AG)**, a German corporation, with a place of business at Muellerstrasse 178, Berlin 13342, Germany ("Bayer") and **SYNDAX PHARMACEUTICALS, INC.**, a Delaware corporation, with a place of business at 12481 High Bluff Drive, Suite 150, San Diego, California 92130 ("Licensee"). Bayer and Licensee are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

### RECITALS

#### WHEREAS:

A. Bayer has proprietary rights to a certain Histone DeAcetylase ("HDAC") inhibitor, known as MS-275, and is interested in licensing these proprietary rights to a party with the resources and expertise necessary to Develop (as defined below) and Commercialize (as defined below) the Product (as defined below) in the field of oncology, alone or in combination with other pharmaceutical products.

B. Licensee possesses substantial resources and expertise in the Development of HDAC inhibitors in the field of oncology, alone or in combination with other pharmaceutical products, and the capability and know-how necessary to acquire additional resources and expertise needed for the Commercialization thereof.

C. Bayer desires to license these proprietary rights to the Product to Licensee provided that Licensee grants Bayer an exclusive first opportunity to collaborate with Licensee on the Development and Commercialization of the Product should Licensee decide to Develop and/or Commercialize the Product with or through a Third Party (as defined below), and Licensee desires to grant such an exclusive first opportunity to Bayer.

D. The Parties desire Bayer to carry out the CMC/Process Development (as defined below) of the Product and to Manufacture (as defined below) or have Manufactured Licensee's requirements of the Product and Licensee to purchase all of its requirements of the Product from Bayer, under terms and conditions to be set forth in a CMC Development, Manufacture and Supply Agreement (as defined below), until such time as such responsibility is transferred to Licensee by Bayer on the terms and conditions set forth in the CMC Development, Manufacture and Supply Agreement.

E. As partial consideration for the grant of the license under said proprietary rights to the Product from Bayer, Licensee desires to issue and deliver to Bayer warrants to purchase certain common stock of Licensee, and Bayer desires to receive such warrants from Licensee, under terms and conditions to be set forth in a Warrant Agreement (as defined below) to be executed and delivered by the Parties concurrently with the execution and delivery of this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements contained herein, the Parties hereto, intending to be legally bound, do hereby agree as follows:

## I. DEFINITIONS

1.1 "AAA" means the American Arbitration Association.

1.2 "Affiliate" means, with respect to a Party, any person, corporation, firm, joint venture or other entity which, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Party. As used in this definition, "control" means possession of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of the outstanding voting securities or by contract or otherwise.

1.3 "Agreement" has the meaning contained in the preamble.

1.4 "Applicable Laws" means all laws, statutes, codes, rules, regulations, orders, treaties, judgments, decrees, directives, injunctions and/or ordinances of any Governmental Authority in the Territory applicable to the Parties, their respective obligations contemplated hereby and/or the Product, including, without limitation, the laws, rules and regulations governing the Development and Commercialization of the Product in the Territory including, without limitation, current GCP, GLP and GMP.

1.5 "Audit Disagreement" has the meaning set forth in Section 7.6.

1.6 "Audit Disagreement Procedure" has the meaning set forth in Section 7.6.

1.7 "Bayer" has the meaning contained in the preamble.

1.8 "Bayer Indemnitee" has the meaning contained in Section 11.2.

1.9 "Bayer Intellectual Property" means Bayer Know-How and Bayer Patents.

1.10 "Bayer Know-How" means Know-How within the Control of Bayer or its Affiliates as of the Effective Date or which comes within the Control of Bayer or its Affiliates during the Term that is necessary or useful for the Development, Manufacture and Commercialization of the Product in the Field in the Territory. Notwithstanding anything herein to the contrary, Bayer Know-How shall exclude: (i) Bayer Patents, and (ii) Know-How within the Control of Bayer or its Affiliates relating to any HDAC inhibitor other than the Compound.

1.11 "Bayer Patents" mean the Existing Bayer Patents and the Future Bayer Patents.

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1.12 “Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in Berlin, Germany or San Diego, California.

1.13 “Change of Control” means an event in which (i) a majority of the outstanding voting securities of Licensee become owned by one or more Pharmaceutical Companies or Pharmaceutical Holding Companies; or (ii) the possession of the power to direct or cause the direction of the management and policies of Licensee, whether through ownership of the outstanding voting securities or by contract or otherwise, becomes vested in one or more Pharmaceutical Companies or Pharmaceutical Holding Companies and which in either case results in Licensee being owned or controlled by a Third Party; or (iii) Licensee enters into a merger, consolidation or similar transaction with a Pharmaceutical Company or Pharmaceutical Holding Company in which Licensee is not the surviving entity in such transaction.

1.14 “Claims” means any claim, suit or proceeding made or brought by a Third Party.

1.15 “Clinical Development” means the conduct of clinical trials in humans to assess the dosing, safety and/or efficacy of the Product, including but not limited to Phase I Clinical Trials, Phase II Clinical Trials, Phase III Clinical Trials and Phase IV Clinical Trials.

1.16 “CMC” means chemistry, manufacturing and controls.

1.17 “CMC Development, Manufacture and Supply Agreement” has the meaning contained in Section 4.3.3.

1.18 “CMC/Process Development” means (i) the development and, as far as applicable, validation of a process for the Manufacture of the Product (covering the Compound and inactive ingredients, packaging materials, and intermediates), including, without limitation, manufacturing descriptions, batch records, quality control procedures and analytical methods (both in-process, post-process, final release and stability controls), reference standards and stability protocols as well as the corresponding reports and other regulatory documentation; (ii) the planning, Manufacturing, monitoring and dispatch of non-clinical samples and clinical samples of the Product; and (iii) any documentary and medical writing and regulatory affairs activities directly related to the activities set forth in subclauses (i) and (ii).

1.19 “Commercialization” and “Commercialize” shall refer to all activities undertaken relating to the use, marketing, distribution, importation, sale and offering for sale of the Product, and the process of Commercialization, respectively.

1.20 “Commercially Reasonable Efforts” means, with respect to a Party, those efforts and resources, as applicable, relating to a certain activity or activities, including, without limitation, the Development, Manufacturing and Commercialization of Product in accordance with such Party’s business, legal, medical and scientific judgment, such efforts and resources to be in accordance with the efforts and resources a reasonably comparable pharmaceutical

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company would use for a product owned by it, or to which it has rights, which is of similar market potential, at a similar stage in its product life, taking into account the establishment of the Product in the marketplace, the competitiveness of the marketplace, the proprietary position of the Product, the regulatory structure involved, the profitability of the Product and other relevant factors.

1.21 “Common Stock” has the meaning contained in the Warrant Agreement.

1.22 “Compound” means Bayer’s proprietary HDAC inhibitor [IUPAC = 3-Pyridylmethyl N-{4-[(2-aminophenyl)carbonyl]benzyl} carbamate; CAS = carbamic acid, [[4-[[[(2-aminophenyl) amino]carbonyl]phenyl]methyl]-3-pyridinylmethylester], known as MS-275, and its related salts, esters, isomers, analogs and derivatives.

1.23 “Control” or “Controlled” means possession of the ability to grant the licenses or sublicenses as provided for herein without violating the terms of any agreement or other arrangement with any Third Party.

1.24 “CRADA” means the Public Health Service Cooperative Research and Development Agreement #836, effective as of March 22, 2000, between Bayer and the National Cancer Institute a true and correct copy of which was provided by Bayer to, and reviewed by, Licensee prior to the Effective Date.

1.25 “Defaulting Party” has the meaning contained in Section 12.2.

1.26 “Development” and “Develop” shall refer to all activities relating to Preclinical Development, Clinical Development and CMC/Process Development, as are customary in the pharmaceutical industry as part of the process of obtaining Regulatory Approval.

1.27 “Development Committee” has the meaning contained in Section 3.1.

1.28 “Development Plan” means the written development plan annexed to this Agreement as Schedule 1, which describes the Development activities (and corresponding timelines) to be undertaken by Licensee in connection with the Development of the Product, which may be amended from time-to-time, as set forth in the Agreement.

1.29 “DMF” means, with respect to the U.S., a drug master file as described in Title 21, Section 314.420 of the U.S. Code of Federal Regulations, including all supplements and amendments thereto, and, with respect to any legal jurisdiction other than the U.S., analogous regulations in such legal jurisdiction.

1.30 “DMF Territories” has the meaning contained in Section 4.2.1.

1.31 “Effective Date” has the meaning contained in the preamble.

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1.32 "Election Notification" has the meaning contained in Section 5.3.

1.33 "EMA" means the European Medicines Evaluation Agency, or any successor agency with responsibility for regulating the Development, Manufacture and Commercialization of human pharmaceutical products in the EU.

1.34 "Enforcement Action" has the meaning contained in Section 10.3.2.1.

1.35 "EPITRON Contract" means the EPITRON (Epigenetic treatment of neoplastic disease) Contract: Contract No. 518417 (LSHC-CT-2005-518417), which entered into force on or about November 24, 2005 and to which Bayer joined as a contractor on or about April 18, 2006, a true and correct copy of which was provided by Bayer to, and reviewed by, Licensee prior to the Effective Date.

1.36 "EU" means the countries of the European Union, as constituted from time-to-time.

1.37 "EU Commission" means the Commission of the European Communities or successor agency thereto.

1.38 "Exercise Price" has the meaning contained in the Warrant Agreement.

1.39 "Existing Bayer Patents" mean the Patents listed in Schedule 4a and Schedule 4b of this Agreement, which are owned or Controlled by Bayer or its Affiliates as of the Effective Date and claim or cover the Development, Manufacture or Commercialization of the Product for use in the Field. For the avoidance of doubt, the Patents listed in Schedule 4a are, as of the Effective Date, in the name of Schering Aktiengesellschaft.

1.40 "FDA" means the United States Food and Drug Administration of the Department of Health and Human Services, or any successor agency with responsibility for regulating the Development, Manufacture and Commercialization of human pharmaceutical products in the U.S.

1.41 "Field" means any use of the Product in the treatment of cancer in humans.

1.42 "Final Offer" has the meaning contained in Section 5.4.4.1.

1.43 "Final Offer Period" has the meaning contained in Section 5.4.4.1.

1.44 "First Commercial Sale" means the date Licensee, an Affiliate or Sublicensee of Licensee first sells or otherwise commercially disposes of the Product for use or consumption by the general public in a country in the Territory pursuant to a Regulatory Approval in such country or where such sale or commercial disposition is otherwise permitted by the Governmental Authority in such country.

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1.45 “First Offer Right Procedure” means the procedure described in Section 5.4 of the Agreement, which Bayer shall have the exclusive right to elect to undergo in the event that Licensee wishes to exercise the Partnering Right.

1.46 “Force Majeure Event” has the meaning contained in Section 13.7.

1.47 “Fully-Diluted Basis” has the meaning contained in the Warrant Agreement.

1.48 “Future Bayer Patents” mean any Patents in the Territory that come within the ownership or Control (with the right to sub-license) of Bayer or its Affiliates during the Term and claim or cover the Development, Manufacture or Commercialization of the Product for use in the Field. Notwithstanding anything herein to the contrary, Future Bayer Patents shall exclude any Patents in the Territory owned or Controlled (with the right to sub-license) by Bayer or its Affiliates relating to any HDAC inhibitor other than the Compound.

1.49 “GCP” means Good Clinical Practice as promulgated by the FDA under and in accordance with the U.S. Federal Food, Drug and Cosmetic Act (Title 21 of the U.S. Code, Section 301 *et seq.*), Title 21, Part 312 of the US Code of Federal Regulations, and the guidelines and standards published by the FDA that relate to the conduct of clinical studies in humans. “GCP” also includes the practices and standards described in the Guidelines on Principles of Good Clinical Practice in Conduct of EU Clinical Trials as promulgated by the European Commission under European Directive 2001/20/EC, similar standards, guidelines and regulations promulgated or otherwise required by MHLW and the ICH Harmonised Tripartite Guideline for Good Clinical Practice (ICH E6), as each may be amended from time-to-time, or any successors thereto.

1.50 “GLP” means Good Laboratory Practice as promulgated by the FDA under and in accordance with the U.S. Federal Food, Drug and Cosmetic Act (Title 21 of the U.S. Code, Section 301 *et seq.*), Title 21, Part 58 of the U.S. Code of Federal Regulations, and the guidelines and standards published by the FDA that relate to the conduct of preclinical studies in animals. “GLP” also includes the principles of Good Laboratory Practice as promulgated by the European Commission under European Directives 2004/9/EC and 2004/10/EC, and similar standards, guidelines and regulations promulgated or otherwise required by MHLW, as each may be amended from time-to-time, or any successors thereto.

1.51 “GMP” means current Good Manufacturing Practice as promulgated by the FDA under and in accordance with the U.S. Federal Food, Drug and Cosmetic Act (Title 21 of the U.S. Code, Section 301 *et seq.*), Title 21, Parts 210 and 211 of the U.S. Code of Federal Regulations, and the guidelines and standards published by the FDA that relate to the testing, manufacturing, processing, packaging, holding or distribution of drug substances and finished drugs. “GMP” also includes the practices and standards described in the Guide to Good Manufacturing Practices for Medicinal Products as promulgated by the European Commission under European Directive 2003/94/EC, similar standards, guidelines and regulations

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promulgated or otherwise required by MHLW and the ICH Harmonised Tripartite Good Manufacturing Practice Guide For Active Pharmaceutical Ingredients (ICH Q7), as each may be amended from time-to-time, or any successors thereto.

1.52 “Governmental Authority” means any court, agency, authority, department, regulatory body or other instrumentality of any government or country or of any national, federal, state, provincial, regional, county, city or other political subdivision of any such government or any supranational organization of which any such country is a member including, without limitation, the FDA for the U.S., the EMEA and EU Commission for the EU, and the MHLW for Japan.

1.53 “Guidelines” means the written guidelines annexed to this Agreement as Schedule 2, pursuant to which the Independent Auditor shall, in accordance with Section 5.4.6, make its determination as to whether or not the Preferred Third Party Offer is Substantially Better than the Final Offer.

1.54 “HDAC” has the meaning contained in Recital A.

1.55 “ICH” means International Conference on Harmonisation.

1.56 “IND” means an effective Notice of a Claimed Investigational Exemption for a New Drug Application filed with the FDA, as more fully defined in Title 21, Part 312 of the U.S. Code of Federal Regulations, as such regulation may be amended from time-to-time.

1.57 “IND Equivalent” means the equivalent of an IND, but in a legal jurisdiction other than the U.S.

1.58 “Indemnitor” has the meaning contained in Section 11.3.

1.59 “Independent Audit” has the meaning contained in Section 5.4.5.2.

1.60 “Independent Auditor” means an independent, internationally recognized financial auditing firm.

1.61 “Indication” means a particular application of the Product for use in the Field, such as, for example, the Initial Two Indications.

1.62 “Information” means all information belonging to, or in the possession of, a Party or its Affiliates, which the Party considers confidential including, without limitation, information concerning the study, discovery, design, development, manufacture, formulation, extraction, compounding, mixing, processing, testing, control, preservation, storage, finishing, packing, packaging, use, administration, distribution, sale, reimbursement and/or marketing of pharmaceutical products or compounds, and potential products or compounds and shall further include, without limitation: (i) all information marked confidential by a Party, (ii) all data from

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and methodology of pre-clinical and clinical studies, (iii) the contents of any submissions to Governmental Authorities worldwide, (iv) marketing plans, or (v) computer hardware and software systems and designs and plans for same, in any case regardless of form (written, graphical, physical, oral, photographic, electronic, magnetic or otherwise).

1.63 “Initial Offer” has the meaning contained in Section 5.4.1.3.

1.64 “Initial Two Indications” means the first two Indications for which the Product is to be Developed, as set forth in the Development Plan.

1.65 “Invention” means any new or useful process, machine, manufacture, or composition of matter specifically relating to or comprising the Compound or a Product, and any improvement, enhancement, modification or derivative work to any Bayer Intellectual Property or Licensee Intellectual Property, that is conceived or first reduced to practice during the Term in connection with the Parties’ respective activities to Develop, Manufacture and Commercialize the Product in the Territory.

1.66 “Joint Invention” has the meaning contained in Section 10.1.3.

1.67 “Know-How” means Information, whether patentable or unpatentable, relating to the Development of the Product in the Field, including, without limitation, inventions, techniques, practices, methods, knowledge, know-how, skill, trade secrets, experience and test data (including pharmacological, toxicological, preclinical and clinical test data); data, records and information derived from research, Preclinical Development and Clinical Development; regulatory submissions, adverse reactions, CMC/Process Development, analytical and quality control data, and marketing, pricing, distribution, cost, sales and manufacturing data or descriptions.

1.68 “Licensee” has the meaning contained in the preamble.

1.69 “Licensee Indemnitee” has the meaning contained in Section 11.1.

1.70 “Licensee Intellectual Property” means Licensee Patents and Licensee Know-How.

1.71 “Licensee Know-How” means Know-How within the Control of Licensee as of the Effective Date and Know-How that comes within the Control of Licensee during the Term. Notwithstanding anything herein to the contrary, Licensee Know-How shall exclude Licensee Patents.

1.72 “Licensee Patents” means any Patents within the Control of Licensee as of the Effective Date and at any time during the Term relating to the Product.

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1.73 “Losses” means any liabilities, damages, losses, costs or expenses (including attorneys’ and professional fees and other expenses of litigation and/or arbitration).

1.74 “Manufacture” or “Manufacturing” means all operations required to manufacture the Product, including, but not limited to, the filling and finishing, packaging, labeling, testing, release, handling and storage of the Product, or any step thereof, as the case may be.

1.75 “Marketing Plan” has the meaning contained in Section 4.1.10.

1.76 “MHLW” means the Japanese Ministry of Health, Labor and Welfare, including the agency responsible for regulating the Development, Manufacture and Commercialization of human pharmaceuticals in Japan, and any successor agency.

1.77 “Mitsui” means Mitsui Chemicals, Inc.

1.78 “MTAs” mean all materials transfer agreements existing and effective as of the Effective Date, which have been entered into by either Bayer or one of its Affiliates for the purpose of providing the Compound and/or Product to one or more researchers for the purpose of carrying out certain preclinical experiments with the Compound and/or Product within the Field, a list of which has been provided to Licensee, together with a summary description of the preclinical experiments conducted thereunder, prior to the Effective Date.

1.79 “NDA” means a New Drug Application filed with the FDA, as more fully defined in Title 21, Section 314.50, *et. seq.*, of the U.S. Code of Federal Regulations, as such regulations may be amended from time-to-time.

1.80 “NDA Equivalent” means the equivalent of an NDA, but in a legal jurisdiction other than the U.S.

1.81 “Net Sales” means, with respect to the Product, the gross amount invoiced by Licensee or its Affiliates or Sublicensees for sales or other disposition of the Product in the Territory, less deductions for: (i) transportation charges, including insurance actually paid; (ii) sales and excise taxes and duties paid or allowed by a selling party and any other governmental charges imposed upon the production, inspection, use or sale of the Product; (iii) any distributors fees, rebates or allowances, quantity or cash discounts, chargebacks, or fees actually granted in the ordinary course of business; and (iv) allowances or credits to customers, not in excess of the selling price of the Product, on account of governmental requirements, rejection, outdating or return of the Product. For the purpose of calculating Net Sales, the Parties recognize that Licensee’s, its Affiliates’ or Sublicensees’, customers may include parties in the chain of commerce who enter into agreements with Licensee, its Affiliates or Sublicensees, as to price even though legal title to the Product does not pass directly from Licensee, its Affiliates or Sublicensees, to such customers, and even though payment for such Product is not made by such customers to Licensee, its Affiliates or Sublicensees, and that in such cases, chargebacks paid by Licensee, its Affiliates and Sublicensees, to or through a Third Party (such as a wholesaler) can

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be deducted from gross revenues in order to calculate Net Sales. Sales between Licensee and its Affiliates shall be excluded from the computation of Net Sales, except where such entities are end users, in which case Net Sales shall include sales between Licensee and its Affiliates; *provided, however*, that if said Affiliates are using such Product solely for research or clinical testing purposes, indigent or other public support programs, then such sales between Licensee and said Affiliates shall be excluded from the computation of Net Sales. Upon the sale or other disposal of the Product (other than in a bona fide arms length transaction exclusively for money) or upon any use of the Product for purposes which do not result in a disposal of the Product in consideration of sales revenue customary in the country of use, said sale, other disposal or use shall be deemed to constitute a sale at the relevant open market price in the country in which the sale, other disposal or use occurs, or, if that price is not ascertainable, a reasonable price assessed on an arms length basis for the goods or services provided in exchange of the supply; *provided, however*, that the disposal (but not sale) by Licensee, its Affiliates or Sublicensees of Product for promotional sampling (as is customary in the pharmaceutical industry in the applicable countries within the Territory) shall not be included in Net Sales.

1.82 “Non-Electing Party” has the meaning contained in Section 10.2.3.

1.83 “Non-Strategic Amendment” means an amendment to the Development Plan that is not a Strategic Amendment.

1.84 “Notice of Third Party Offer” has the meaning contained in Section 5.4.3.1.

1.85 “Notifying Party” has the meaning contained in Section 12.2.

1.86 “Partnering Right” means Licensee’s exercisable right, subject to the terms and conditions of this Agreement, including, without limitation, the conditions precedent described in Article V of this Agreement, to grant to a Third Party, by way of an assignment or sublicense, a portion, or all, of the license and rights granted to Licensee by Bayer under this Agreement. For the avoidance of doubt, it is agreed and understood by the Parties that Licensee shall not have the right to grant to any Third Party any portion, or all, of the licenses and rights granted to Licensee pursuant to Section 2.1 of this Agreement by means of any other conveyance.

1.87 “Partnering Right Notification” means the written notice Licensee is required to provide to Bayer, as a condition precedent to the exercise of the Partnering Right by Licensee, which informs Bayer of Licensee’s desire to exercise the Partnering Right and describes in reasonable detail, Licensee’s Preferred Partnering Deal Structure.

1.88 “Party” and “Parties” have the meaning contained in the preamble.

1.89 “Patent License Agreement” means the Patent License Agreement between Mitsui Chemicals, Inc. and Bayer AG, dated as of March 23, 2000, a true, correct and redacted copy of which is annexed hereto as Schedule 3.

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1.90 “Patents” means (i) any U.S. and foreign patent applications and patents; (ii) any national, regional and international patent applications claiming priority to or related to any U.S. and foreign patent applications and patents, including any divisional and continuation applications of the U.S. and foreign patent applications and patents and any continuation-in-part applications; (iii) any and all patents that have issued or will, in the future, issue from patent applications included in subclauses (i) and (ii) above; and (iv) any and all extensions or restorations by existing or future extension or restoration mechanisms, including substitutions, reexaminations, revalidations, reissues, renewals, and extensions thereof.

1.91 “Pharmaceutical Company” means an entity that develops, manufactures, markets, distributes, imports, offers for sale or sells pharmaceutical products.

1.92 “Pharmaceutical Holding Company” means any person, corporation, firm, joint venture or other entity which, directly or indirectly, through one or more intermediates, controls, is controlled by or is under common control with a Pharmaceutical Company. As used in this definition, “control” means possession of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of the outstanding voting securities or by contract or otherwise.

1.93 “Phase I Clinical Trial” has the meaning contained in Title 21, Section 312.21(a) of the U.S. Code of Federal Regulations in the U.S., and analogous regulations in any legal jurisdiction other than the U.S.

1.94 “Phase II Clinical Trial” has the meaning contained in Title 21, Section 312.21(b) of the U.S. Code of Federal Regulations (*except* that such study may be uncontrolled) in the U.S., and analogous regulations in any legal jurisdiction other than the U.S.

1.95 “Phase III Clinical Trial” has the meaning contained in Title 21, Section 312.21(c) of the U.S. Code of Federal Regulations in the U.S., and analogous regulations in any legal jurisdiction other than the U.S.

1.96 “Phase IV Clinical Trial” has the meaning contained in Title 21, Section 312.85 of the U.S. Code of Federal Regulations in the U.S., and analogous regulations in any legal jurisdiction other than the U.S.

1.97 “Preclinical Development” means the conduct of studies of the Product, *in vitro* or in animals, to assess the pharmacokinetics and safety (*i.e.*, toxicology, carcinogenicity and mutagenicity) of the Product.

1.98 “Preferred Partnering Deal Structure” means the type (*e.g.*, purchase of Licensee’s business or assets, co-development/co-promotion, sublicense, etc.) and structure of the potential business transaction Licensee would prefer to pursue in the event Licensee desires to exercise the Partnering Right.

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1.99 “Preferred Third Party” means the Third Party who makes the Preferred Third Party Offer.

1.100 “Preferred Third Party Offer” has the meaning contained in Section 5.4.2.3.

1.101 “Product” means any pharmaceutical formulation containing the Compound as an active ingredient.

1.102 “Proposed Research Protocol” has the meaning contained in Section 4.2.3.

1.103 “Quality Assurance Agreement” means the Quality Assurance Agreement to be entered into by Licensee and Bayer simultaneously with the CMC Development, Manufacture and Supply Agreement defining responsibility and procedures for, among others: (i) product acceptance, batch record review and Product release (ii) non-conforming Product; (iii) record retention; (iv) change control; (v) inspections by Governmental Authorities, including pre-approval inspections; (vi) audits by Licensee; (vii) access to manufacturing facility by Licensee; (viii) Product packaging; (ix) batch failure; (x) re-work or re-processing; and (xi) stability testing.

1.104 “Regulatory Approval” means, with respect to each country in the Territory, any approval, product and/or establishment license, registration or authorization of the applicable Governmental Authority necessary for the Manufacture and/or Commercialization of the Product in such country, together with pricing or reimbursement approval in countries where governmental approval is required for pricing or for a Product to be reimbursed by national health insurance.

1.105 “Research” means all activities relating to investigation and/or experimentation aimed at the discovery of the safety, efficacy or use of the Compound and/or Product (other than the Clinical Development and Commercialization of the Product).

1.106 “Research Results” has the meaning contained in Section 4.2.3.

1.107 “ROFN Period” has the meaning contained in Section 5.4.1.1.

1.108 “Royalty Term” means, with respect to each country in the Territory, the period of time commencing on the date of First Commercial Sale of the Product in such country and continuing until the later of either: (i) the expiration of the last to expire Bayer Patent containing a Valid Claim in such country, or (ii) fifteen (15) years from the date of First Commercial Sale of the Product in such country.

1.109 “SEC” means the United States Securities and Exchange Commission, or any successor agency.

1.110 “Strategic Amendment” means an amendment to the Development Plan, which affects the overall strategy for the Development of the Product, such as, for example, changing or deleting Indications; changing endpoints; selecting or rejecting combination therapies; changing timelines; changing formulations; changing the number of patients to be enrolled in clinical

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studies; and changing the regulatory approach to the Development of the Product. A Strategic Amendment may be based on, among other things, review, requests and recommendations of the FDA or other Governmental Authorities.

1.111 "Sublicensee" shall mean a Third Party to whom Licensee has, subject to the terms and conditions of this Agreement, granted a license or sublicense to Develop and Commercialize the Product in the Territory for use in the Field.

1.112 "Substantially Better" means that, as determined by the Independent Auditor on the basis of the Guidelines, the valuation of the Preferred Third Party Offer is at least either \*\*\* or \*\*\* higher, whichever is greater, than the valuation of the Final Offer.

1.113 "Summary CMC Section" means the introductory portion of the CMC section of an NDA, as defined in Title 21, Section 314.50(d)(1) of the Code of Federal Regulations, and analogous regulations in any legal jurisdiction other than the U.S., in each case relating to the Compound and the Product.

1.114 "Term Sheet" shall have the meaning contained in Section 5.4.1.1.

1.115 "Territory" means all countries of the world.

1.116 "Third Party" means any entity other than Bayer or Licensee and their respective Affiliates.

1.117 "Third Party Offer" means solicited and unsolicited offers received by Licensee from Third Parties wishing to obtain a portion, or all, of the license and rights granted to Licensee by Bayer under this Agreement.

1.118 "Third Party Offer Period" shall have the meaning contained in Section 5.4.2.3.

1.119 "Trademarks" has the meaning contained in Section 10.6.

1.120 "Trial Notification" has the meaning contained in Section 4.4.

1.121 "Triggering Event" means the completion of the first Phase II Clinical Trial of the Product by Licensee for either of the Initial Two Indications and the receipt by Bayer of the validated results of said Phase II Clinical Trial according to the statistical analysis plan.

1.122 "U.S." means the United States of America and its territories and commonwealths, including, without limitation, the Commonwealth of Puerto Rico.

1.123 "USD" means United States dollars.

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1.124 "Valid Claim" means a claim of any unexpired, issued patent that has not been withdrawn, canceled or disclaimed nor held to be invalid or unenforceable by a court or tribunal of competent jurisdiction in an unappealed or unappealable decision or, in the case of any patent application, that has not been finally rejected in an appealed or unappealable decision by the relevant patent office.

1.125 "Warrant Agreement" means the Warrant Agreement between Licensee and Bayer, effective as of the Effective Date.

1.126 "Warrants" has the meaning contained in the Warrant Agreement.

## II. LICENSES

### 2.1 License Grant to Licensee.

2.1.1 Development and Commercialization Licenses. Subject to the terms and conditions of this Agreement, Bayer agrees to grant and hereby grants to Licensee, together with the right to grant sublicenses, subject to Section 2.2:

2.1.1.1 an exclusive (except as otherwise provided in Section 2.5 below), worldwide license under the Bayer Intellectual Property to Develop (except for CMC/Process Development) the Product in the Territory for use in the Field; and

2.1.1.2 an exclusive (except as otherwise provided in Section 2.5 below), worldwide, royalty-bearing license under the Bayer Intellectual Property to Commercialize the Product in the Territory for use in the Field.

2.1.2 CMC/Process Development and Manufacturing Licenses. Immediately upon the transfer of responsibility for the CMC/Process Development and Manufacture of the Product to Licensee, as set forth in Section 4.3.2 below, and subject to the terms and conditions of this Agreement, Bayer agrees to grant and shall automatically grant to Licensee, together with the right to grant sublicenses subject to Section 2.2:

2.1.2.1 an exclusive (except as otherwise provided in Section 2.5 below), worldwide right and license under the Bayer Intellectual Property to carry out the CMC/Process Development of the Product in the Territory for use in the Field; and

2.1.2.2 a co-exclusive (except as otherwise provided in Section 2.5 below) license, solely with Mitsui, under the Bayer Intellectual Property to Manufacture or have Manufactured the Product in the Territory for use in the Field.

2.2 Sublicenses. Subject to the terms and conditions of this Agreement, Licensee shall have the right to sublicense rights under the licenses and rights granted to Licensee in Section 2.1 above upon the exercise of the Partnering Right; *provided, however*, that Licensee

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shall have the right to sublicense such license and rights only after the occurrence of the Triggering Event and, then, only in accordance with the terms and conditions set forth in Article V below. Each such sublicense shall be: (i) in writing; (ii) consistent with the terms and conditions of this Agreement; and (iii) subject to the prior written consent of Bayer, which consent shall not be unreasonably refused. Licensee shall be fully responsible for the performance and conduct of a Sublicensee's applicable financial and other obligations under such a sublicense, including any breach of the terms hereof by such Sublicensee. Promptly after the execution of each such sublicense, Licensee shall provide to Bayer a true and complete copy of each such sublicense; *provided, however*, that Licensee may redact any financial or other information to the extent not applicable to Sublicensee's compliance with this Agreement.

2.3 Reservation of Rights. Notwithstanding the licenses and rights granted to Licensee pursuant to Section 2.1 above, Bayer retains the right, under the Bayer Intellectual Property, to: (i) Develop, Manufacture and Commercialize the Product in the Territory for use outside the Field, subject to Section 2.6; (ii) carry out CMC/Process Development and related activities and to Manufacture or have Manufactured the Product for use in the Field, in accordance with the CMC Development, Manufacture and Supply Agreement; (iii) exercise its rights and comply with its obligations under the CRADA (until such time as the CRADA is assigned to Licensee in accordance with Section 4.2.5), EPITRON Contract, the Patent License Agreement and the MTAs; and (iv) conduct Research of the Compound and/or the Product for any purpose both within and outside the Field, subject to the requirements of Section 4.2.4. For the avoidance of doubt, any Research conducted by Bayer in connection with the EPITRON Contract shall not be subject to the requirements of Section 4.2.4.

2.4 Third Party In-License. The licenses and rights granted to Licensee under Section 2.1 above include sublicenses of Third-Party Know-How and Patents existing and licensed by Mitsui to Bayer pursuant to the Patent License Agreement. Any royalties payable to Third Parties pursuant to the Patent License Agreement shall be paid by Bayer. In addition, Bayer shall:

2.4.1 diligently fulfill all of its obligations under the Patent License Agreement, so as not to adversely affect the licenses and rights granted to Licensee under Section 2.1 above during the Term;

2.4.2 not amend the Patent License Agreement in any manner that adversely affects the licenses and rights granted to Licensee under Section 2.1 above during the Term;

2.4.3 not terminate the Patent License Agreement, as it relates to the Compound, without the prior written consent of Licensee; and

2.4.4 furnish to Licensee copies of all notices received by Bayer relating to alleged breaches or defaults by Bayer of its obligations under the Patent License Agreement within ten (10) Business Days of Bayer's receipt thereof.

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2.5 MTA Inventions. The licenses and rights granted to Licensee under Section 2.1 above, include sublicenses to Third Party inventions made by researchers under the MTAs and licensed to Bayer or its Affiliates on a non-exclusive basis. Bayer agrees to promptly notify Licensee upon receipt of notice of any such inventions that fall within the scope of the Bayer Intellectual Property and to consult with Licensee on the desirability of obtaining an exclusive license to such inventions in the Field. Licensee shall have ten (10) Business Days from such consultation to inform Bayer whether or not it wishes Bayer to pursue an exclusive license to such inventions in the Field.

2.5.1 If Licensee informs Bayer that Licensee desires Bayer to obtain an exclusive license to such an invention in the Field within said ten (10) Business Day period and Bayer concurs with Licensee, then Bayer shall utilize Commercially Reasonable Efforts to obtain such an exclusive license in the Field and the Parties agree that any royalties payable to Third Parties pursuant to such an exclusive license will be shared by the Parties on a \*\*\* basis, in which case the sublicenses and rights granted to Licensee under Section 2.1 above with respect to the invention in the Field shall be exclusive (even as to Bayer). Bayer agrees to keep Licensee reasonably informed of the status and terms of the negotiations for such an exclusive license to the invention.

2.5.2 If Licensee informs Bayer that Licensee desires Bayer to obtain an exclusive license to such an invention in the Field within said ten (10) Business Day period, but Bayer does not concur with Licensee, then Bayer shall assign to Licensee its right to obtain such an exclusive license in the Field, or, if such right is not assignable, reasonably cooperate with Licensee, at Licensee's expense, to negotiate the terms of such an exclusive license. Licensee agrees that, in either case, it shall be solely responsible for any royalties payable by Bayer to Third Parties pursuant to such an exclusive license in the Field, in which case the sublicenses and rights granted to Licensee under Section 2.1 above with respect to the invention in the Field shall be exclusive (even as to Bayer).

2.5.3 If Licensee does not inform Bayer that Licensee desires Bayer to obtain an exclusive license to such an invention in the Field, or informs Bayer that it does not wish Bayer to obtain an exclusive license to such an invention in the Field, within said ten (10) Business Day period, then Bayer shall be free to pursue, at its sole cost and discretion, an exclusive license to such an invention, in which case the sublicenses and rights granted to Licensee under Section 2.1 above with respect to the invention in the Field shall be co-exclusive (with Bayer and its Affiliates).

2.6 Right of First Negotiation. If at any time during the Term, Bayer desires to partner the Development and/or Commercialization of the Product in the Territory for use outside the Field, then Bayer shall first provide Licensee with written notice of its desire to do so, together with a summary of the structure of the potential business transaction desired by Bayer. Licensee shall have fifteen (15) days after receipt of such written notice to inform Bayer,

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in writing, that it wishes to enter into negotiations with Bayer to obtain such rights to the Product.

2.6.1 If Licensee informs Bayer that it wishes to enter into negotiations with Bayer to obtain such rights to the Product within said fifteen (15) day period, then the Parties shall, for a period not to exceed forty-five (45) days (or such other period of time as may be mutually agreed by the Parties), negotiate, in good faith, to reach an agreement on terms and conditions pursuant to which Bayer would be willing to grant such rights to the Product to Licensee. If the Parties cannot reach an agreement on such terms and conditions within this time period, Bayer shall then be free to negotiate the grant of such rights to the Product with Third Parties.

2.6.2 If Licensee does not inform Bayer that it wishes to enter into negotiations with Bayer to obtain such rights to the Product within said fifteen (15) day period, then Bayer would then be free to negotiate the grant of such rights to the Product to Third Parties.

2.7 No Further Rights. Only the licenses granted pursuant to the express terms of this Agreement shall be of any legal force or effect. No other license or rights are intended to be granted or created by implication, estoppel or otherwise.

### III. DEVELOPMENT COMMITTEE

3.1 Formation. Within thirty (30) days after the Effective Date, the Parties shall establish a committee (the "Development Committee"). The Development Committee shall consist of four (4) members, with Bayer and Licensee each appointing two (2) representatives. Each member of the Development Committee shall be, in the case of Bayer, an employee of Bayer or of one of its Affiliates, and, in the case of Licensee, an employee of Licensee or a consultant or advisor to Licensee. Each member of the Development Committee shall have the appropriate background, experience and expertise to contribute to the deliberations and decisions of the Development Committee. The Parties may rotate their respective representatives on the Development Committee to ensure that the Development Committee is comprised, at all times, of members who have the appropriate background, experience and expertise to contribute to the deliberations and decisions of the Development Committee. In addition, any member of the Development Committee may designate a substitute member to attend any meeting of the Development Committee in such member's place and stead. Each Party may also, in its reasonable discretion and with reasonable advanced notice to the other Party, invite non-member representatives of such Party to attend Development Committee meetings, as appropriate, to provide input with respect to matters on the agenda. One of the Bayer members of the Development Committee, chosen at the sole discretion of Bayer, along with one of the Licensee members of the Development Committee, chosen at the sole discretion of Licensee, shall serve as co-chairs of the Development Committee.

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3.2 Functions. The Development Committee shall function as a forum for the Parties to inform and consult with one another concerning the progress of, and changes to, the Development of the Product. The Development Committee shall receive written reports and information on a regular basis, but not less than quarterly, from Licensee with regard to activities undertaken and results achieved by Licensee in connection with the Development of the Product. Said written reports shall be complete and accurate and, where appropriate, will contain raw data from the Clinical Development of the Product carried out by or on behalf of Licensee. The Development Committee will also be responsible for: (i) considering and advising on aspects of the Development of the Product insofar as it relates to progress in meeting Development goals; (ii) advising on obstacles to successful Development of the Product; (iii) identifying potential additional Indications for Development by Licensee; (iv) reviewing and commenting on Research Bayer proposes to undertake pursuant to Section 2.3, as more fully described in Section 4.2.4; (v) facilitating the coordination of the Clinical Development and CMC/Process Development activities of the Parties; and (vi) acting as a forum for Licensee to keep Bayer informed of Licensee's progress in the Development of the Product. The Development Committee shall also be responsible for reviewing and approving Strategic Amendments to the Development Plan, as more fully set forth in Section 3.3 below.

### 3.3 Development Plan; Amendments.

3.3.1 Initial Development Plan. The initial Development Plan has been prepared and approved by the Parties and reflects the Development activities of Licensee anticipated at the Effective Date in order to establish proof of concept of the Product in the Initial Two Indications. Licensee agrees to update the Development Plan, as set forth below, to reflect all additional Development activities (with corresponding timelines) to be undertaken by Licensee in connection with the Development of the Product.

3.3.2 Strategic Amendments. Each Party shall have one (1) vote on any proposed Strategic Amendment to the Development Plan submitted by Licensee to the Development Committee. It is agreed and understood that the overall Development strategy set forth in the Development Plan shall not be amended except by unanimous decision of the Development Committee. Whenever Licensee determines that a Strategic Amendment to the Development Plan is required, Licensee shall submit such proposed Strategic Amendment, in writing, to the Development Committee for the Development Committee's expedited review. The Development Committee shall hold a meeting within fifteen (15) Business Days after receipt of the proposed Strategic Amendment to review, modify (if applicable) and vote on the proposed Strategic Amendment.

3.3.2.1 If the Development Committee reaches a unanimous decision on the proposed Strategic Amendment, the Development Committee shall notify Licensee, in writing, of the approval of the proposed Strategic Amendment. Licensee shall thereafter promptly amend the Development Plan to incorporate the Strategic Amendment and promptly provide a copy of the revised Development Plan to Bayer and the Development Committee.

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3.3.2.2 If the Development Committee cannot reach a unanimous decision on the proposed Strategic Amendment, then, within fifteen (15) Business Days thereafter, Bayer shall provide Licensee with written notice of the objections raised by Bayer to the proposed Strategic Amendment together with Bayer's counter-proposal(s) to the proposed Strategic Amendment. Not later than five (5) Business Days after Licensee's receipt of Bayer's counter-proposal(s), the Development Committee (together with up to three (3) non-member representatives each Party deems necessary to provide input with respect to the proposed Strategic Amendment; *provided, however*, that each such non-member representative has the necessary experience and expertise to address the matters contained within the proposed Strategic Amendment and Bayer's counter-proposal(s) thereto) shall meet to resolve the dispute. If the Development Committee is unable to reach a unanimous decision on a proposed Strategic Amendment at such meeting (or within such other time frame as may be mutually agreed), then either Party shall have the right to submit the disputed matter to expedited arbitration, in accordance with the dispute resolution procedure set forth in Schedule 7 of this Agreement.

3.3.3 Non-Strategic Amendments. Licensee shall have the right to make any Non-Strategic Amendment to the Development Plan. In Licensee's quarterly reports to the Development Committee pursuant to Section 4.1.1.8, Licensee shall include a summary of all Non-Strategic Amendments made to the Development Plan and shall provide a copy of the revised Development Plan incorporating such Non-Strategic Amendments to the Development Committee together with such quarterly report.

3.4 Meetings. Development Committee meetings shall be held quarterly, either in person or by means of telecommunication or video conference, and may be called by either Party with not less than thirty (30) Business Days notice to the other, unless such notice is waived. At least one (1) Development Committee meeting per year shall be held in person and the location of such in person meeting shall alternate between the offices of Bayer and Licensee, unless otherwise agreed by the Parties, with the first such in-house meeting to be held at the offices of Bayer. In addition to the quarterly meetings, the Development Committee may be convened, polled or consulted from time-to-time by means of telecommunication or correspondence. Members of the Development Committee may send notices and other communications to the other members (including ad hoc participants) of the Development Committee via facsimile and other electronic communication methods. Each Party will disclose to the other proposed agenda items reasonably in advance of each meeting of the Development Committee. Each Party shall bear its own costs for its members' attendance and participation in the Development Committee meetings.

3.5 Limitation on Authority. Notwithstanding the creation of the Development Committee, each Party to this Agreement shall retain the rights, powers and discretions granted to it hereunder, and the Development Committee shall not be delegated or vested with any such rights, powers or discretion unless such delegation or vesting is expressly provided for herein or the Parties expressly so agree in writing. For the avoidance of doubt, the Development

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Committee shall not have the power to declare a Party in breach of its obligations under this Agreement.

3.6 Dissolution. In the event that Licensee exercises the Partnering Right, pursuant to Article V below, either Party shall have the right (but not the obligation) to dissolve the Development Committee, upon fifteen (15) days' advance written notice to the other Party. Otherwise, the Development Committee shall automatically dissolve upon completion of all activities set forth in the Development Plan.

3.7 Minutes. Licensee shall designate a member of the Development Committee to act as secretary for each Development Committee meeting prior to its commencement. Minutes for each of the Development Committee meetings shall be drafted by the secretary of the meeting and sent to the chairpersons of the Development Committee for comment promptly after each such meeting (but in no event more than twenty (20) days thereafter). All actions noted in the minutes are to be reviewed and approved by the Parties at the subsequent meeting of the Development Committee; *provided, however*, that if the Parties cannot agree as to the content of the minutes, such minutes will be finalized to reflect such disagreement.

#### IV. DEVELOPMENT AND COMMERCIALIZATION OBLIGATIONS; DILIGENCE.

4.1 Obligations of Licensee. Licensee shall have full responsibility, at its sole cost and expense, for the Development, Manufacture and Commercialization of the Product, including, without limitation, obtaining all Regulatory Approvals as may be necessary for the commercial sale of the Product in the Territory for use in the Field; *except* to the extent that the responsibility for doing so, as specifically set forth in Sections 4.2 and 4.3 of this Agreement and in the CMC Development, Manufacture and Supply Agreement, belongs to Bayer.

4.1.1 Diligence. Licensee agrees to use Commercially Reasonable Efforts to diligently Develop, Manufacture and Commercialize the Product in the Territory for use in the Field for all commercially reasonable Indications, including without limitation, the Initial Two Indications; *except* to the extent that the responsibility for doing so, as specifically set forth in Sections 4.2 and 4.3 of this Agreement and in the CMC Development, Manufacture and Supply Agreement, belongs to Bayer. Without limiting the foregoing, Licensee shall:

4.1.1.1 use Commercially Reasonable Efforts to diligently carry out its respective obligations and activities specified in the Development Plan including, without limitation, adhering to the timelines set forth therein;

4.1.1.2 prepare and file with the applicable Governmental Authorities those regulatory filings deemed necessary or desirable by Licensee to undertake Development activities including, without limitation, all INDs and IND Equivalents, in the Territory;

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4.1.1.3 conduct all Preclinical Development and Clinical Development in good scientific manner, and in compliance in all material respects with all requirements of Applicable Laws to achieve the objectives of this Agreement efficiently and expeditiously;

4.1.1.4 maintain records, in sufficient detail and in good scientific manner, which shall be complete and accurate and shall fully and properly reflect all work done and results achieved in connection with its Development efforts in the form required under all Applicable Laws;

4.1.1.5 use Commercially Reasonable Efforts to prepare and file those NDAs and NDA Equivalents and other regulatory filings deemed necessary or desirable by Licensee with the appropriate Governmental Authorities in the Territory and obtain all Regulatory Approvals that Licensee deems necessary or desirable to Commercialize the Product in the Territory for use in the Field;

4.1.1.6 own all INDs, IND Equivalents, NDAs and NDA Equivalents submitted for the Product in the Territory for use in the Field, together with all Regulatory Approvals and other regulatory filings and approvals for the Product in Territory for use in the Field;

4.1.1.7 be solely responsible for all activities in connection with the Regulatory Approvals for the Product in the Territory for use in the Field, including, without limitation, communicating with, and preparing and filing all reports (including, without limitation, adverse event reports) with the Governmental Authorities in the Territory;

4.1.1.8 submit to the Development Committee (or, upon dissolution of the Development Committee, to Bayer), on a quarterly basis, a reasonably detailed written report describing the status of the Development of the Product and summarizing all Non-Strategic Amendments made to the Development Plan, together with a copy of the Development Plan, as set forth in Sections 3.2 and 3.3.3 above;

4.1.1.9 not later than the commencement of Phase III Clinical Trials, prepare overview-marketing plans for the Product, which shall include plans related to the pre-launch, launch, marketing, promotion and sale of the Product for use in the Field and which shall include forecasts for the number of sales representatives, and a reasonably descriptive overview of the marketing campaigns proposed to be conducted (the "Marketing Plans") Licensee shall provide copies of the Marketing Plans to Bayer as soon as practicable after preparation and as frequently as may be required based upon Licensee's, its Affiliates' or Sublicensees', usual marketing campaign cycles, but in no case less than once each calendar year;

4.1.1.10 use Commercially Reasonable Efforts to perform pre-commercialization analysis, planning, market preparation, and related marketing activities for all countries in the Territory;

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4.1.1.11 within thirty (30) Business Days after the end of each calendar year after the commencement of Phase III Clinical Trials for each Indication for which the Product is in Development, furnish Bayer with reasonably detailed summary written reports on all activities conducted by Licensee to Commercialize the Product for use in the Field during such calendar year; and

4.1.1.12 maintain records, in sufficient detail, which shall be complete and accurate and shall fully and properly reflect all work done and results achieved in connection with the Commercialization of the Product in the Territory for use in the Field in the form required under all Applicable Laws.

4.1.2 Contractors and Consultants. With respect to the Development by Licensee of the Product in the Territory for use in the Field, Licensee shall have the right to engage Third Party contractors and consultants to conduct applicable services on its behalf; *provided, however*, that such Third Parties shall be obligated, in writing, to comply with the confidentiality and other terms and conditions of this Agreement which by their nature govern Licensee's rights and obligations associated with the Development of the Product. Licensee agrees that it shall remain primarily liable for such Third Party contractors' and consultants' compliance with the terms and conditions of this Agreement. For the avoidance of doubt, this Section 4.1.2 shall not be deemed to govern Licensee's right to grant sublicenses under the licenses and rights granted to Licensee under Section 2.1 of this Agreement, as such rights are governed by, and subject to, Section 2.2 above.

#### 4.2 Obligations of Bayer.

4.2.1 Drug Master File. Bayer shall be solely responsible for filing and maintaining the DMFs for the Product and the DMFs shall be in the name of and be owned by Bayer. Bayer shall bear the cost of filing and maintaining the DMFs in the \*\*\* (the "DMF Territories"). All costs incurred by Bayer arising out of or related to the filing and maintenance of DMFs outside of the DMF Territories shall be reimbursed to Bayer by Syndax on a time and material basis. Bayer shall invoice Syndax for said costs and Syndax will remit payment therefor to Bayer within thirty (30) days of receipt of such invoice. As soon as practicable after filing of a DMF, and in any case not more than sixty (60) days thereafter, Bayer shall, upon written request from Licensee, grant all applicable Governmental Authorities including, without limitation, \*\*\*, the right to cross-reference the DMF for the Product on behalf of Licensee, as required for the Development and Commercialization of the Product in the Territory for use in the Field. Bayer shall retain sole responsibility and ownership of the DMFs even after the transfer of responsibility for the CMC/Process Development and Manufacture of the Product to Licensee, as set forth in Section 4.3.2 below; *provided, however*, that Bayer shall have the right (but not the obligation), at any time thereafter, to assign and transfer sole responsibility and ownership of the DMFs to Licensee upon twenty (20) days notice to Licensee.

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4.2.2 Data Transfer. Promptly after the Effective Date and, in any case, within ninety (90) days thereof; Bayer shall: (1) transfer to Licensee ownership of all IND and IND Equivalents in the Territory covering the Product for use in the Field, along with all related regulatory correspondence and filings; (2) provide to Licensee copies of all preclinical and clinical study reports of the Product that are relevant for the Development and Commercialization of the Product in the Field, including, without limitation, appendices and statements on quality assurance and compliance with GLP, if applicable, in the possession of Bayer or its Affiliates as of the Effective Date, or which come into the possession and Control of Bayer or its Affiliates during the Term, and which Bayer or its Affiliates are free to transfer to a third party; and (3) make available to Licensee Bayer Know-How, regulatory filings and regulatory communications associated with any NDAs or NDA Equivalents. Such data transfer shall include, but not be limited to, the information and data set forth in the "Summary of Information Transfer" document annexed hereto as Schedule 5. Where English-language documents or summaries exist, such materials will be provided to Licensee. Related documents in any language other than English will also be provided to Licensee and the translation of such documents from such other language into English will be handled by Licensee, at its sole cost and expense. Where new documents or summaries can be produced in either language by Bayer or its Affiliates such documents shall be produced in English. Notwithstanding the foregoing, data and documentation associated with any IND, IND Equivalents, NDAs or NDA Equivalents relating to the CMC/Process Development and Manufacture of the Compound and the Product shall be excluded from such data transfer and shall not be transferred or made available to Licensee until such time as Bayer transfers responsibility for CMC/Process Development and Manufacture of the Product to Licensee, as set forth in Section 4.3.2 below. Bayer agrees to transfer the information and data contained in the "Summary of Information Transfer" document annexed hereto as Schedule 5 to Licensee at no cost to Licensee, except for out-of-pocket expenses incurred by Bayer. Licensee agrees to reimburse to Bayer all costs together with out-of-pocket expenses incurred by Bayer in transferring any and all other information and data to Licensee pursuant to this Section 4.2.2.

4.2.3 Summary CMC Section. To the extent required, Bayer shall either: (i) be responsible for the preparation and delivery to Licensee of the Summary CMC Section in electronic and hard copy form and the latter in format suitable for inclusion in an NDA or NDA Equivalent in accordance with Applicable Laws and as the Parties may mutually agree; or (ii) provide Licensee with all data and information (including, without limitation, all Information) required to complete the Summary CMC Section in accordance with Applicable Laws. Licensee shall provide Bayer, as soon as practicable, with a copy of any comments received by Licensee from a Governmental Authority relating to the Summary CMC Section and Bayer shall provide or, at Licensee's request, cooperate with Licensee to provide, a response to such comments as soon as practicable. In the event that there is a deficiency in the Summary CMC Section attributable to Bayer (including as a result of any deficiency in or changes required to be made to the DMF), then Bayer shall be responsible for correcting such deficiency, at Bayer's expense, and shall use Commercially Reasonable Efforts to do so as soon as practicable.

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#### 4.2.4 Research Notification.

4.2.4.1 Research Within the Field. In the event Bayer intends to undertake any Research with respect to the Compound or the Product within the Field, as set forth in Section 2.3, and such Research could have implications in the Field including, without limitation, an impact on Licensee's regulatory filings within the Field, Bayer shall first submit the proposed Research protocol, in writing, to the Development Committee, together with such other information as may be reasonably required by the Development Committee to evaluate the potential impact of the proposed Research on Licensee's Development efforts within the Field (the "Proposed Research Protocol"), for the Development Committee's expedited review.

(a) The Development Committee shall hold a meeting within fifteen (15) Business Days from receipt of the Proposed Research Protocol to review and propose reasonable recommendations, changes or modifications to the Proposed Research Protocol including, without limitation, requiring the performance of such Research be conducted pursuant to a separate IND to be held by Bayer.

(i) If the Development Committee reaches a unanimous decision on reasonable recommendations, changes or modifications to the Proposed Research Protocol within said fifteen (15) Business Day period, the Development Committee shall notify Bayer, in writing, and Bayer agrees to abide by such recommendations, changes or modifications.

(ii) If the Development Committee cannot reach a unanimous decision on reasonable recommendations, changes or modifications to the Proposed Research Protocol, then Licensee shall have ten (10) Business Days to provide Bayer with written notice of the objections raised by Licensee to the Proposed Research Protocol together with Licensee's reasonable recommendations, changes or modifications to the Proposed Research Protocol, in writing, and Bayer agrees to abide by such recommendations, changes or modifications.

(b) The results of all Research within the Field (the "Research Results") having implications within the Field shall be shared with Licensee through submission by Bayer of quarterly reports to the Development Committee. Notwithstanding the licenses and rights granted to Licensee under Section 2.1, Bayer shall retain all of its right, title and interest to said Research Results and nothing contained in this Agreement shall be construed to convey any rights or proprietary interest in such Research Results to Licensee. All Information disclosed to Licensee regarding such Research shall be subject to the confidentiality obligations contained in Article VIII, and any publication of such Research Results shall be subject to Section 8.5.

4.2.4.2 Research Outside the Field. In the event Bayer intends to undertake any Research with respect to the Compound or the Product outside of the Field, as set

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forth in Section 2.3, and such Research could have implications in the Field including, without limitation, an impact on Licensee's regulatory filings within the Field, Bayer shall first submit the Proposed Research Protocol to Licensee. Licensee shall have fifteen (15) Business Days from receipt of the Proposed Research Protocol to review and propose reasonable recommendations, changes or modifications to the Proposed Research Protocol. If Bayer receives such recommendations, changes or modifications within said fifteen (15) Business Day period, then Bayer agrees to take such recommendations, changes or modifications under consideration, but the decision as to whether or not to adopt such recommendations, changes or modifications shall be at Bayer's sole discretion. All Information disclosed to Licensee regarding such Research shall be subject to the confidentiality obligations contained in Article VIII.

4.2.5 CRADA Transfer. Within thirty (30) days after the Effective Date, or as soon as practicable thereafter, the Parties shall, subject to the prior written consent of the National Cancer Institute, either: (i) effectuate the transfer and assignment of the CRADA from Bayer to Licensee, in which case Licensee shall assume all of Bayer's rights, commitments and obligations thereunder; or (ii) Licensee shall execute a new cooperative research and development agreement for the Product with the National Cancer Institute and Bayer and the National Cancer Institute shall simultaneously terminate the CRADA; in either case Licensee shall assume and be responsible for any commitments made by Bayer prior to the Effective Date to provide clinical trial supplies.

#### 4.3 CMC/Process Development and Manufacture of the Product.

4.3.1 CMC/Development, Manufacture and Supply Agreement. Within sixty (60) days after the Effective Date, or as soon as practicable thereafter, the Parties shall enter into a separate written agreement describing the rights and obligations of the Parties with respect to the CMC/Process Development, and Manufacture and supply of all Licensee's, its Affiliates' and Sublicensees' requirements of clinical or commercial supply of the Product by Bayer (the "CMC/Development, Manufacture and Supply Agreement"). Such CMC/Development, Manufacture and Supply Agreement shall, amongst other things, provide that Bayer shall: (i) use Commercially Reasonable Efforts to perform certain CMC/Process Development activities; and (ii) supply all of Licensee's, its Affiliates' and Sublicensees' clinical and commercial requirements of the Product. The CMC/Development, Manufacture and Supply Agreement shall be substantially based upon the terms and conditions outlined in Schedule 6 of this Agreement, and on such other terms and conditions as may be agreed to by the Parties.

4.3.2 Transfer of CMC/Process Development and Manufacture Responsibilities. If, at any time during the term of this Agreement, Bayer's CMC/Process Development and Manufacture and supply obligations terminate because either: (i) Bayer terminates the CMC/Development, Manufacture and Supply Agreement, without cause, at any time after the occurrence of the Triggering Event; (ii) Licensee terminates the CMC/Development, Manufacture and Supply Agreement for cause; or (iii) Licensee terminates the

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CMC/Development, Manufacture and Supply Agreement upon the insolvency of Bayer, in each case in accordance with the applicable terms and conditions of the CMC/Development, Manufacture and Supply Agreement, then full responsibility for the CMC/Process Development and Manufacture of the Product in the Territory for use in the Field shall be automatically transferred to Licensee. Immediately upon such transfer, Licensee agrees to use Commercially Reasonable Efforts to diligently carry out the CMC/Process Development and Manufacture of the Product in the Territory for use in the Field for all commercially reasonable Indications, including without limitation, the Initial Two Indications.

4.4 Development Diligence Disputes. In the event that one Party believes that the other Party has failed to diligently carry out any of its respective Development obligations under this Agreement, said Party agrees to notify the other Party in writing of such alleged failure. Both Parties agree to meet, within thirty (30) days after delivery of such written notice, to discuss and attempt to resolve, in good faith, any disputes or disagreements arising out of such alleged failure before invoking any other right or remedy available to it under this Agreement.

4.5 Pharmacovigilance and Safety Data Exchange. In the event that Bayer intends to commence clinical trials using the Compound or the Product, at any time during the Term of this Agreement, Bayer shall notify Licensee at least ninety (90) days prior to commencing such trials (the "Trial Notification"). In such event, each Party agrees to exchange, in a timely manner, all information that relates to the safety of the Product, including, without limitation, all adverse drug reactions. Within ninety (90) days of delivery of the Trial Notification by Bayer, the Parties shall enter into a written pharmacovigilance agreement (the "PV Agreement"), which shall set forth rules and procedures concerning pharmacovigilance issues. The PV Agreement will govern the investigation of adverse experience reports and action to be taken with regards to Product-related adverse experience reports, such that each of the Parties can comply with its legal and regulatory obligations worldwide. The parties further agree that the PV Agreement will be promptly amended as changes in legal and regulatory obligations require or as otherwise agreed by the Parties.

4.6 Compliance with Standards. Licensee agrees to perform all of its obligations under this Agreement with respect to the Development, Manufacture (to the extent applicable) and Commercialization of the Product in accordance with Applicable Laws.

## V. LICENSEE'S PARTNERING RIGHT

5.1 Generally. Licensee shall have the right, at any time after the occurrence of the Triggering Event, to exercise the Partnering Right; *provided, however*, that, as conditions precedent to the exercise of the Partnering Right, Licensee shall first provide to Bayer the Partnering Right Notification and grant to Bayer the exclusive right to undergo the First Offer Right Procedure described in Section 5.4 below. For the avoidance of doubt, Licensee shall not have the right to exercise the Partnering Right unless and until: (i) Bayer elects not to undergo the First Offer Right Procedure, as set forth in Section 5.3.2 below; or (ii) Bayer elects to

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undergo the First Offer Right Procedure and the First Offer Right Procedure is deemed terminated, as set forth in Sections 5.4.4.1 and 5.4.6.1 below.

5.2 Partnering Right Notification. In the event that Licensee wishes to exercise the Partnering Right, Licensee shall first provide to Bayer the Partnering Right Notification. The exclusive right to undergo the First Offer Right Procedure described in Section 5.4 below shall be deemed granted by Licensee to Bayer upon delivery of the Partnering Right Notification to Bayer.

5.3 First Offer Right Procedure Election. Within \*\*\* of delivery of the Partnering Right Notification by Licensee, Bayer shall have to elect whether or not to undergo the First Offer Right Procedure.

5.3.1 Election to Undergo First Offer Right Procedure. If Bayer elects to undergo the First Offer Right Procedure, then Bayer shall provide Licensee with written notice of its election to do so within such \*\*\* period (the "Election Notification") and the Parties shall then be obligated to undergo the First Offer Right Procedure set forth in Section 5.4 below.

5.3.2 Election Not to Undergo First Offer Right Procedure. If Bayer either: (i) does not deliver the Election Notification to Licensee within the \*\*\* notice period; or (ii) elects not to undergo the First Offer Right Procedure; then, in each case, the conditions precedent to the exercise of the Partnering Right shall be deemed satisfied and Licensee shall have the right (but not the obligation), at any time thereafter, to exercise the Partnering Right, subject to the other terms and conditions of this Agreement.

#### 5.4 First Offer Right Procedure.

5.4.1 Step One: Exclusive Negotiation. For a period of \*\*\* after Licensee's receipt of the Election Notification from Bayer, or such other time frame as may be mutually agreed to by the Parties (the "ROFN Period"), Licensee shall be obligated to negotiate exclusively with Bayer, and both Parties shall negotiate in good faith, to conclude a term sheet for a potential business transaction between the Parties on the basis of the Preferred Deal Structure (a "Term Sheet").

5.4.1.1 If the Parties conclude the Term Sheet prior to the expiration of the ROFN Period, then, upon conclusion of the Term Sheet, the First Offer Right Procedure shall automatically expire and the Parties shall be obligated to conclude a definitive written agreement on the basis of the terms and conditions set forth in the Term Sheet. The Parties shall further be obligated to utilize Commercial Reasonable Efforts to conclude such definitive written agreement within \*\*\* after the conclusion of the Term Sheet.

5.4.1.2 the Parties are unable to conclude a Term Sheet prior to the expiration of the ROFN Period, then the First Offer Right Procedure shall continue to "Step Two: Initial Offer Decision", as set forth in Section 5.4.2 below.

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5.4.2 Step Two: Initial Offer Decision. Immediately after expiration of the ROFN Period, Licensee shall notify Bayer in writing whether Licensee accepts or rejects the terms and conditions last offered by Bayer to Licensee during the ROFN Period (the “Initial Offer”).

5.4.2.1 If Licensee accepts the Initial Offer, then the First Offer Right Procedure shall automatically expire and the Parties shall be obligated to conclude a written agreement on the basis of the terms and conditions set forth in the Initial Offer. The Parties shall further be obligated to utilize Commercially Reasonable Efforts to diligently conclude such a written agreement within \*\*\* of delivery to Bayer of Licensee’s written notification accepting the Initial Offer.

5.4.2.2 If Licensee rejects the Initial Offer and decides not to proceed with the Partnering Right, then Licensee shall deliver written notice thereof to Bayer. Upon delivery of such written notice by Licensee, the First Offer Right Procedure shall expire and Licensee shall thereafter be precluded from exercising the Partnering Right, unless Licensee re-satisfies the conditions precedent to the exercise of the Partnering Right set forth in Section 5.1 above.

5.4.2.3 If Licensee rejects the Initial Offer and decides to proceed with the Partnering Right, then Licensee shall deliver written notice thereof to Bayer and the First Offer Right Procedure shall continue to “Step Three: Solicitation of Third Party Offers”, as set forth in Section 5.4.3 below.

5.4.3 Step Three: Solicitation of Third Party Offers. Licensee shall have the right, but not the obligation, for a period of \*\*\* after receipt by Bayer of Licensee’s written notification rejecting the Initial Offer (the “Third Party Offer Period”), to solicit and receive Third Party Offers (and to complete any due diligence to be conducted by the applicable Third Parties). The Parties agree that prior to the expiration of the Third Party Offer Period, or within such other period of time as may be mutually agreed by the Parties, the Parties shall select, by mutual agreement, an Independent Auditor to carry out the Independent Audit set forth in Section 5.4.6 below. No later than \*\*\* after the expiration of the Third Party Offer Period, Licensee shall determine whether or not it desires to exercise the Partnering Right with respect to a particular Third Party Offer (the “Preferred Third Party Offer”).

5.4.3.1 If Licensee desires to exercise the Partnering Right with respect to the Preferred Third Party Offer, then Licensee shall, within such \*\*\* period after expiration of the Third Party Offer Period, notify Bayer, in writing, of such desire (the “Notice of Third Party Offer”) and enclose the Preferred Third Party Offer (except for the financial consideration to be paid by the Third Party thereunder) with the Notice of Third Party Offer. Concurrently with the delivery of the Notice of Third Party Offer and disclosure of the Preferred Third Party Offer to Bayer, Licensee shall disclose the Preferred Third Party Offer (including the financial consideration to be paid by the Third Party thereunder) to the Independent Auditor

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(who shall be instructed not to review the Preferred Third Party Offer until, if ever, it receives written instruction to do so pursuant to Section 5.4.6). Upon delivery of the Notice of Third Party Offer to Bayer, Licensee shall be deemed to have granted to Bayer, and Bayer shall have the right to exercise, an exclusive right to make Licensee a Final Offer, and the First Offer Right Procedure shall continue to “Step Four: Final Offer by Bayer”, as set forth in Section 5.4.4 below.

5.4.3.2 If Licensee determines that it does not desire to proceed with the exercise of the Partnering Right, or in any case fails to provide Bayer with the Notice of Third Party Offer within \*\*\* after expiration of the Third Party Offer Period, then the First Offer Right Procedure shall automatically expire and Licensee shall thereafter be precluded from exercising the Partnering Right, unless Licensee re-satisfies the conditions precedent to the exercise of the Partnering Right set forth in Section 5.1 above.

5.4.4 Step Four: Final Offer by Bayer. Upon receipt by Bayer of a Notice of Third Party Offer from Licensee, Bayer shall have the exclusive right (but not the obligation) to offer to Licensee terms and conditions for a business transaction with Licensee that are substantially based on the structure of the business transaction contemplated by the Preferred Third Party Offer (the “Final Offer”). Bayer shall have \*\*\* from the date of receipt of the Notice of Third Party Offer to provide Licensee with the Final Offer (the “Final Offer Period”).

5.4.4.1 If Bayer does not provide Licensee with a Final Offer within the Final Offer Period, then the First Offer Right Procedure shall be deemed terminated and Licensee shall have the right (but not the obligation), at any time thereafter, to exercise the Partnering Right, subject to the other terms and conditions of this Agreement; *provided, however*, that any business transaction Licensee concludes pursuant to said exercise of the Partnering Right must be based on the structure of the business transaction contemplated in the Preferred Third Party Offer.

5.4.4.2 If Bayer provides Licensee with a Final Offer within the Final Offer Period, then the First Offer Right Procedure shall continue to “Step Five: Final Offer Decision”, as set forth in Section 5.4.5 below. Concurrently with the provision of the Final Offer to Licensee, Bayer shall provide the Final Offer to the Independent Auditor (who shall be instructed not to review the Preferred Third Party Offer until, if ever, it receives written instruction to do so pursuant to Section 5.4.6).

5.4.5 Step Five: Final Offer Decision. Licensee shall have \*\*\* from the date of receipt of the Final Offer from Bayer to notify Bayer whether Licensee accepts or rejects the Final Offer.

5.4.5.1 If Licensee accepts the Final Offer, then Licensee shall notify Bayer in writing of Licensee’s acceptance of the Final Offer. The First Offer Right Procedure shall automatically expire upon delivery of such written notice by Licensee and the Parties shall

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thereafter be obligated to conclude a definitive written agreement on the basis of the terms and conditions set forth in the Final Offer. The Parties shall further be obligated to utilize Commercially Reasonable Efforts to diligently conclude such a written agreement within \*\*\* after delivery to Bayer of Licensee's written notification accepting the Final Offer.

5.4.5.2 Licensee shall only have the right to reject the Final Offer on the grounds that the Preferred Third Party Offer is Substantially Better than the Final Offer. If Licensee rejects the Final Offer on this basis, then Licensee shall notify Bayer of its rejection of the Final Offer in writing and the First Offer Right Procedure shall continue to "Step Six: Independent Audit", as set forth in Section 5.4.6 below.

5.4.6 Step Six: Independent Audit. The Independent Auditor shall be instructed by the Parties, in writing, to conduct an audit of the Preferred Third Party Offer and Final Offer to determine, on the basis of the Guidelines, whether or not the Preferred Third Party Offer is Substantially Better than the Final Offer (the "Independent Audit"). The Independent Auditor shall have \*\*\* from the date of receipt of the written instruction to conduct the Independent Audit to complete the Independent Audit and to provide its determination to both Parties concurrently in writing. The Independent Auditor's determination shall be final and binding on the Parties, unless such a determination involves alleged fraud, breach of this Agreement, or the construction or interpretation of any of the terms or conditions of this Agreement. All fees and expenses of the Independent Auditor, including any Third Party support staff or other costs incurred by the Independent Auditor with respect to the Independent Audit, shall be borne equally by the Parties, unless the Independent Auditor determines that the Preferred Third Party Offer was not Substantially Better than the Final Offer, in which case all fees and expenses of the Independent Auditor shall be borne solely by Licensee.

5.4.6.1 If the Independent Auditor's determination concludes, based on the Guidelines, that the Preferred Third Party Offer is Substantially Better than the Final Offer, then the First Offer Right Procedure shall be deemed terminated and Licensee shall have the right (but not the obligation), at any time thereafter, to exercise the Partnering Right, subject to the other terms and conditions of this Agreement; *provided, however*, that any business transaction Licensee concludes pursuant to said exercise of the Partnering Right must be substantially based on the terms and conditions contained in the Preferred Third Party Offer.

5.4.6.2 If the Independent Auditor's determination concludes, based on the Guidelines, that the Preferred Third Party Offer is not Substantially Better than the Final Offer, then the First Offer Right Procedure shall automatically expire upon delivery of such determination by the Independent Auditor and the Parties shall be obligated to conclude a definitive written agreement on the basis of the terms and conditions set forth in the Final Offer. The Parties shall further be obligated to utilize Commercially Reasonable Efforts to diligently conclude such a written agreement within \*\*\* after receipt of the Independent Auditor's determination.

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## VI. CONSIDERATION

6.1 Warrants. In partial consideration of the license and rights granted to it by Bayer under this Agreement, Licensee shall, subject to the terms and conditions of the Warrant Agreement, issue and deliver to Bayer Warrants to purchase, at the Exercise Price, such number of fully paid and nonassessable shares of Common Stock as is equal to one and three quarters percent (1.75%) of the shares of Common Stock outstanding on a Fully Diluted Basis.

6.2 Initial License Fee. In partial consideration of the license and rights granted to it by Bayer under this Agreement and in recognition of the research and development efforts undertaken by Bayer prior to the Effective Date, Licensee shall pay to Bayer, within \*\*\* from the Effective Date, an initial license fee of Two Million USD (\$2,000,000). This initial license fee will be unconditional and, as such, shall not be subject to any offset, credit, reduction or repayment for any reason whatsoever, whether provided for in this Agreement or not.

6.3 Milestone Payments. In partial consideration of the license and rights granted to it by Bayer under this Agreement, Licensee shall make to Bayer the milestone payments set forth in this Section when due. These milestone payments will be unconditional and, as such, shall not be subject to any offset, credit, reduction or repayment for any reason whatsoever, whether provided for in this Agreement or not.

6.3.1 First Indication Milestone Payments. Within \*\*\* following the first achievement of each milestone specified below by the Product for the first Indication to reach such milestone during the course of the Development of the Product, Licensee shall make the following respective milestone payment to Bayer:

<u>Milestone</u>	<u>Payment</u>
Signature of an informed consent form by a patient in a Phase III Clinical Trial	\$ ***
Submission of an NDA in the US	\$ ***
Submission of an NDA Equivalent in the EU	\$ ***
Submission of an NDA Equivalent in Japan	\$ ***
Approval of NDA in the US	\$ ***
Approval of NDA Equivalent in the EU	\$ ***
Approval of NDA Equivalent in Japan	\$ ***

6.3.2 Second Indication Milestone Payments. Within \*\*\* following the first achievement of each milestone specified below by the Product for the second Indication to reach such milestone during the course of the Development of the Product, Licensee shall make the following respective milestone payment to Bayer:

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<u>Milestone</u>	<u>Payment</u>
Signature of an informed consent form by a patient in a Phase III Clinical Trial	\$ ***
Submission of an NDA in the US	\$ ***
Submission of an NDA Equivalent in the EU	\$ ***
Submission of an NDA Equivalent in Japan	\$ ***
Approval of NDA in the US	\$ ***
Approval of NDA Equivalent in the EU	\$ ***
Approval of NDA Equivalent in Japan	\$ ***

### 6.3.3 Sales-Related Milestone Payments.

6.3.3.1 Licensee shall make the following respective milestone payment to Bayer:

<u>Milestone</u>	<u>Payment</u>
Aggregate annual Net Sales of the Product in the Territory of \$ ***	\$ ***
Aggregate annual Net Sales of the Product in the Territory of \$ ***	\$ ***

6.3.3.2 Aggregate annual Net Sales shall be determined on a calendar year basis. Licensee shall provide Bayer with a report of Net Sales, as set forth in Section 6.6 below, which report shall be accompanied by payment of the applicable sales-related milestone payment in the event any sales-related milestone is achieved by the end of the calendar quarter for which the report is made. For the avoidance of doubt, the sales-related milestone payments set forth above shall be cumulative, such that if, in any given calendar year, aggregate annual Net Sales of the Product reach \$\*\*\*, then both sales-related milestone payments (*i.e.*, \$\*\*\*) shall be due and payable by Licensee.

6.3.4 Payments Only Once. In no event shall Licensee be required to make any milestone payment set forth above more than once.

### 6.4 Royalty Payments.

6.4.1 In partial consideration of the license and rights granted to it by Bayer under this Agreement, Licensee shall pay to Bayer, on a country-by-country basis, during the Royalty Term in each such country, a royalty on Net Sales of the Product, in the following amounts:

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<u>Net Sales</u>	<u>Royalty (% of Net Sales)</u>
On that portion of annual Net Sales of the Product from \$*** to \$***	***%
On that portion of annual Net Sales of the Product above \$*** to \$***	***%
On that portion of annual Net Sales of the Net Sales of the Product above \$*** to \$***	***%
On that portion of annual Net Sales of the Product above \$***	***%

6.4.2 The Parties hereby acknowledge and agree that the Bayer Patents and Bayer Know-How licensed pursuant to this Agreement justify royalties of differing amounts with respect to sales of the Product, which royalties could be applied separately to the Product involving the exercise of such Bayer Patents and/or the incorporation of such Bayer Know-How, and that if such royalties were calculated separately, royalties relating to the Bayer Patents and royalties relating to the Bayer Know-How would last for different terms. In light of such considerations and for reasons of convenience, the Parties have hereby determined that blended royalty rates for the Bayer Patents and the Bayer Know-How licensed hereunder will apply during a single royalty term and that the utilization of such blended royalty rates is advantageous to both Parties.

#### 6.5 Other Consideration.

6.5.1 Non-Monetary Consideration. If Licensee (or its Affiliates or Sublicensees) receives any form of consideration other than monetary consideration in connection with the Commercialization of the Product, including, by way of example, obtaining more favorable pricing for Licensee (or Affiliates or its Sublicensees) on other products, Bayer shall be entitled to payments hereunder based on the reasonable value of such consideration, the dollar amount of which shall be included in the calculation of Net Sales for purposes of calculating royalty payments under Sections 6.4 and 6.5.2 of this Agreement, as if it were payment in cash for sales of the Product.

6.5.2 Additional Royalties. Upon \*\*\* in each country of the Territory, Licensee agrees to pay to Bayer, for \*\*\*, a royalty equal to \*\*\* of annual Net Sales of the Product in such country.

6.6 Royalty Payments and Reports. All royalties payable by Licensee to Bayer shall be paid within \*\*\* after the end of each calendar quarter in which Net Sales are generated. Such payments shall be accompanied by a report for the applicable calendar quarter showing the Net Sales for the Product, on a country-by-country basis, the royalty rate, a calculation of the amount of royalties due and the disposition and quantities for promotional samples.

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## VII. PAYMENTS

7.1 Payments. Any payments due under this Agreement shall be remitted to Bayer on or before the date specified in this Agreement and, in the event such date is not a Business Day, then the next succeeding Business Day. All payments shall be paid by wire transfer of immediately available funds to an account at a commercial bank to be designated by Bayer at least ten (10) Business Days before payment is due.

7.2 Interest. Any failure by Licensee to make a payment within fifteen (15) Business Days after the date when due shall obligate Licensee to pay computed interest to Bayer at a rate per annum equal to the USD London Interbank Offered Rate for one month quoted on the due date by the European Central Bank plus a premium of \*\*\*. The interest period for such computed interest shall commence on the due date of the delinquent payment and end on the payment date. The computed interest rate shall be adjusted monthly and interest shall be compounded monthly, in arrears. In addition, interest shall be computed on the basis of the act/360 computation method, and shall be due and payable on the tender of the underlying principal payment.

7.3 Taxes. Bayer shall pay any and all taxes levied on account of all payments it receives under this Agreement. If laws or regulations require that taxes be withheld, Licensee will (i) deduct those taxes from the remittable payment, (ii) timely pay the taxes to the proper taxing authority, and (iii) send proof of payment to Bayer within thirty (30) days of receipt of confirmation of payment from the relevant taxing authority. Licensee agrees to make all lawful and reasonable efforts to minimize such taxes to Bayer. If Licensee is so required, then Bayer and Licensee shall cooperate in all respects and take all reasonable steps to lawfully avoid the making of any such deductions.

7.4 Payment Currency. All payments due hereunder will be paid to Bayer in USD (\$). Where payments are based on Net Sales in countries other than the US, the amount of such payments expressed in the currency of each country shall be converted into USD (\$) at the exchange rate of the last Business Day of the applicable calendar quarter. The applicable exchange rate will be the daily 12 noon buying rate of the Federal Reserve Bank of New York. If no daily 12 noon buying rate of the Federal Reserve Bank of New York is determined for the relevant currency, the Parties shall agree upon another reference rate.

7.5 Records of Revenues; Audits. Licensee shall maintain complete and accurate records which are relevant to the Net Sales, on a country-by-country basis, under this Agreement. Such records shall be open, upon reasonable notice during reasonable business hours, for a period of three (3) years from the end of the calendar year in which such sales occurred for audit by a certified public accountant selected by Bayer and reasonably acceptable to Licensee for the sole purpose of verifying for Bayer the correctness of the calculation and classification of Net Sales, on a country-by-country basis, under this Agreement. Such an audit of Licensee's records shall not occur more often than once each year and, except as otherwise

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provided herein, Bayer shall bear its own costs related to such an audit. Said certified public accountant shall provide the results of any such audit concurrently to Bayer and to Licensee. The independent, certified public accountant shall disclose to Bayer only the royalty amounts and sales-related milestone payments which the independent accountant believes to be due and payable hereunder to Bayer and shall disclose no other information revealed in such audit. Any and all records examined by such independent certified public accountant shall be deemed to be Licensee's confidential Information for all purposes and shall not be disclosed by said independent, certified public accountant to any Third Party. In the event such an audit reveals underpayments by Licensee that are greater than \*\*\* of the amount due to Bayer, Licensee shall immediately, upon notice of such underpayment, (i) pay to Bayer the amount of the underpayment, plus interest as provided for in Section 7.2 from the time the amount was due, and (ii) reimburse to Bayer its out-of-pocket expenses related to such audit. In the event such an audit reveals underpayments by Licensee that are equal to or less than \*\*\* of the amount due to Bayer, Licensee shall immediately, upon notice of such underpayment, pay to Bayer the amount of such underpayment. In the event such an audit reveals overpayments by Licensee, then Bayer will, at option and sole discretion, either refund the overpayment to Licensee or credit the overpayment against future royalties payable by Licensee.

7.6 Audit Disagreement. In the event of a dispute between the Parties following any audit performed pursuant to Section 7.5 (an "Audit Disagreement"), either Party shall have the right to submit the Audit Disagreement to a mutually selected independent internationally recognized accounting firm for resolution, in accordance with the following procedure (the "Audit Disagreement Procedure"):

7.6.1 the Party wishing to submit the Audit Disagreement for resolution shall provide written notice to the other Party that it is invoking the Audit Disagreement Procedure;

7.6.2 within thirty (30) Business Days of the delivery date of such written notice, the Parties shall jointly select a recognized international accounting firm to act as an independent expert to resolve the Audit Disagreement;

7.6.3 within ten (10) Business Days of the selection of the independent expert, the Parties shall submit a description of the Audit Disagreement to the independent expert, which description may be in oral form if submitted to the independent expert, in person, by the Parties at the same time;

7.6.4 as soon as practicable after receipt of the description of the Audit Disagreement, the independent expert shall render a decision on the Audit Disagreement, which decision shall be final and binding on the Parties unless such Audit Disagreement involves alleged fraud, breach of this Agreement, or the construction or interpretation of any of the terms or conditions of this Agreement;

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7.6.5 all fees and expenses of the independent expert, including any Third Party support staff or other costs incurred by the independent expert with respect to hearing and deciding the Audit Disagreement, shall be borne by each Party in inverse proportion to the disputed amounts awarded to the Party by the independent expert. By way of example, if Party A disputes \$100 and the independent expert awards Party A \$60, then Party A would pay forty percent (40%) and Party B would pay sixty percent (60%) of the independent expert's costs.

## VIII. CONFIDENTIALITY

8.1 Confidential Information. Except as expressly provided herein, the Parties agree that, during the term of this Agreement and for a period of \*\*\* thereafter, the receiving Party shall keep completely confidential and shall not publish or otherwise disclose and shall not use for any purpose except for the purposes contemplated by this Agreement any Information furnished to it by the disclosing Party hereto pursuant to this Agreement, except that to the extent that it can be established by the receiving Party, by competent proof, that such Information: (i) is or becomes public or available to the general public otherwise than through the act or default of the receiving Party in breach of this Agreement; (ii) is obtained by the receiving Party from a Third Party who is lawfully in possession of such Information and is not subject to an obligation of confidentiality or non-use owed to the disclosing Party or others; (iii) is previously known to the receiving Party prior to disclosure to the receiving Party by the disclosing Party under this Agreement, as shown by contemporaneous written evidence, and is not obtained or derived directly or indirectly from the disclosing Party; (iv) is disclosed by the receiving Party pursuant to the requirement of law, provided that the receiving Party has complied with the provisions set forth in Section 8.3; or (v) is independently developed by the receiving Party without the use of or reliance on any Information provided by the disclosing Party hereunder, as shown by contemporaneous written evidence.

8.2 Public Domain. For the purposes of this Agreement, specific information disclosed as part of the Information shall not be deemed to be in the public domain or in the prior possession of the receiving Party merely because it is embraced by more general information in the public domain or by more general information in the prior possession of the receiving Party.

8.3 Legal Disclosure. If the receiving Party becomes legally required to disclose any Information provided by the disclosing Party, the receiving Party will give the disclosing Party prompt notice of such fact so that the disclosing Party may obtain a protective order or other appropriate remedy concerning such disclosure and/or waive compliance with the non-disclosure provision of this Agreement. The receiving Party will reasonably cooperate with the disclosing Party in connection with the disclosing Party's efforts to obtain any such order or other remedy. If any such order or other remedy does not fully preclude disclosure or the disclosing Party waives such compliance, the receiving Party will make such disclosure only to the extent that such disclosure is legally required and will use its reasonable efforts to have confidential treatment accorded to the disclosed Information.

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8.4 Permitted Use and Disclosures . Each Party hereto may use or disclose Information disclosed to it by the other Party to the extent such use or disclosure: (i) is reasonably necessary in complying with Applicable Laws or otherwise submitting information to tax or other governmental authorities, (ii) is provided by the receiving Party to Third Parties, on a strictly as-needed basis, for consulting services, conducting Preclinical or Clinical Development, CMC/Process Development, Manufacturing, external testing, market research, or otherwise exercising its rights or performing its obligations hereunder; *provided, that* such Third Parties are obligated to maintain the confidentiality of such other Party's Information as set forth herein for the benefit of such other Party for a period of at least the term of the agreement with such Third Party and for a period of \*\*\* thereafter; (iii) is included in submissions by the receiving Party to Governmental Authorities to facilitate the issuance of approvals for NDAs and NDA Equivalents for the Product, provided that reasonable measures shall be taken to assure confidential treatment of such Information; or (iv) is to Third Parties in connection with a receiving Party's efforts to secure financing or enter into strategic partnerships, provided such Information is disclosed only on a need-to-know basis and under confidentiality provisions at least as stringent as those in this Agreement. Additionally, Bayer may disclose to Mitsui any Information received from Licensee hereunder; *provided, that* such disclosure is reasonably considered by Bayer to be necessary to comply with the terms and conditions of the Patent License Agreement; and *further provided, that* Mitsui is obligated to maintain the confidentiality of Licensee's Information as set forth herein for the benefit of Licensee. Notwithstanding the foregoing, if a receiving Party is required to make any such disclosure of the disclosing Party's confidential Information, other than pursuant to a confidentiality agreement, the receiving Party will give reasonable advance notice to the disclosing Party of such disclosure and, save to the extent inappropriate in the case of patent applications, will use its reasonable efforts to secure confidential treatment of such Information prior to its disclosure (whether through protective orders or otherwise).

8.5 Public Disclosure. Except as otherwise required by law, (including, without limitation, disclosure requirements of the SEC, or of any stock exchange on which securities issued by a Party are publicly traded), neither Party shall issue a press release or make any other public disclosure concerning this Agreement, or the subject matter hereof, without the prior written approval of such press release or public disclosure by the other Party. Each Party shall submit any such press release or public disclosure to the other Party for its prior review and approval, which approval shall not be unreasonably withheld or delayed, *provided that*, it shall not be unreasonable for a Party to withhold consent with respect to any public announcement containing any of such Party's confidential Information. If the receiving Party does not respond to the submission of a press release within fifteen (15) days from submission, the press release or public disclosure shall be deemed approved. The contents of any such press release or similar publicity that has been reviewed and approved by the reviewing Party can be re-released by either Party without a requirement for re-approval. The principles to be observed by Bayer and Licensee in public disclosures with respect to this Agreement shall be: (i) accuracy; (ii) compliance with applicable legal requirements; (iii) the requirements of confidentiality under this Article VIII; and (iv) normal business practice in the pharmaceutical industry for disclosures by companies comparable to Bayer and Licensee. Notwithstanding the foregoing, either Party

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may issue such press releases as it determines, based on advice of counsel, are reasonably necessary to comply with law or for appropriate market disclosure. It is understood, however, that unless required by law, the Parties shall not disclose the specific financial terms and conditions of this Agreement, without the prior written consent of the other Party. In addition, if a public disclosure is required by law, including, without limitation, in a filing with the SEC, the disclosing Party shall, reasonably in advance of such filing or other disclosure, provide copies of the disclosure to the non-disclosing Party for the non-disclosing Party's prior review and comment and shall give due consideration to any reasonable comments by the non-disclosing Party relating to such filing, including, without limitation, the provisions of this Agreement for which confidential treatment should be sought.

8.6 Confidential Terms. Except as expressly provided herein, each Party agrees not to disclose any terms of this Agreement to any Third Party without the written consent of the other Party; except that disclosures may be made as required by securities or other applicable laws, or to actual or prospective investors or corporate partners, or to a Party's accountants, attorneys and other professional advisors. Bayer may disclose the terms of this Agreement to Mitsui Chemicals, Inc.

8.7 Injunctive Relief. The provisions of this Article VIII are necessary for the protection of the Parties' business and goodwill and are considered by the Parties to be reasonable for such purpose. Each Party agrees that any breach of the terms of this Article VIII by it may cause the other Party substantial and irreparable harm and, therefore, in the event of any such breach by a Party, the other Party shall, in addition to other remedies that may be available to it, have the right to seek specific performance and other injunctive (whether preliminary or permanent) and equitable relief.

8.8 Survival. This Article VIII shall survive expiry and termination of this Agreement for any reason.

## **IX. REPRESENTATIONS AND WARRANTIES**

9.1 By Both Parties. Each Party hereby represents, warrants and covenants to the other Party that:

9.1.1 such Party is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof;

9.1.2 such Party is free to enter into this Agreement and in so doing, such Party will not violate any other agreement to which it is a party;

9.1.3 the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of such Party;

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9.1.4 this Agreement has been duly executed by such Party and, assuming due authorization, execution and delivery by the other Party, constitutes a valid and legally binding obligation of such Party, enforceable in accordance with its terms, subject to: (1) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws affecting creditors' rights; and (2) general principles of equity, regardless of whether considered in a proceeding in equity or at law;

9.1.5 this Agreement does not contravene the certificate of incorporation or bylaws of such Party, or any other agreement to which such Party is a party; and

9.1.6 such Party has obtained, or is not required to obtain, the consent, approval, order or authorization of any Third Party; and

9.2 By Licensee. Licensee represents, warrants and covenants to Bayer that:

9.2.1 Licensee shall not sublicense, assign, transfer or otherwise convey any license or rights in the Bayer Intellectual Property to any Third Party, except as expressly provided by this Agreement;

9.2.2 Licensee shall not encumber, with liens, mortgages, security interests or otherwise, the Bayer Intellectual Property; and

9.2.3 all Trademarks are, or will be, controlled by Licensee, and do not, or will not, infringe any intellectual property right, of any Third Party.

9.2.4 Licensee has the right to grant the rights and licenses granted herein.

9.3 By Bayer. Bayer represents, warrants and covenants to Licensee that:

9.3.1 to Bayer's knowledge, as of the Effective Date, it has the authority and right to grant the licenses and rights set forth in Section 2.1 of this Agreement under the Bayer Intellectual Property (including, without limitation, any Third Party Patents or Know-How contained therein);

9.3.2 as of the Effective Date, Bayer has not granted any license under the Bayer Intellectual Property to any Third Party, nor is Bayer currently under any obligation to grant (whether or not contingent on any future event or state of affairs) any such license to any Third Party, except under the CRADA, the EPITRON Contract, and the Patent License Agreement;

9.3.3 as of the Effective Date, Bayer has not encumbered, with liens, mortgages, security interests or otherwise, the Bayer Intellectual Property, and any future encumbrance by Bayer will be subject to the licenses and rights granted to Licensee under Section 2.1 of this Agreement;

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9.3.4 as of the Effective Date, Bayer has not received: (1) any written notices of infringement or misappropriation of any alleged intellectual property rights asserted by any Third Party in relation to the Bayer Intellectual Property; or (2) any written notice from any Governmental Authority that the claims set forth in any issued Bayer Patents are invalid; in each case, which would materially adversely affect its or Licensee's ability to carry out either of their respective responsibilities, or the rights or licenses granted to Licensee, under Section 2.1 of this Agreement;

9.3.5 to Bayer's knowledge, as of the Effective Date, none of the claims contained in any issued Bayer Patents are invalid or unenforceable;

9.3.6 as of the Effective Date, Bayer has no knowledge of any Patents (other than the Existing Bayer Patents) that would be infringed by the Development, Manufacture or Commercialization of the Product in the Territory for use in the Field, \*\*\*;

9.3.7 as of the Effective Date, the Existing Bayer Patents listed under Schedule 4a are owned or Controlled by Bayer;

9.3.8 to Bayer's knowledge, as of the Effective Date, the Existing Bayer Patents listed under Schedule 4b are Controlled by Bayer;

9.3.9 as of the Effective Date, Bayer has no knowledge of any Third Party whose current or past activities or products infringe or misappropriate the Bayer Intellectual Property; \*\*\*;

9.3.10 to Bayer's knowledge, as of the Effective Date, there have been no oppositions, interferences, reexaminations, reissues, or nullity actions anywhere in the Territory, regarding any of the Existing Bayer Patents, except for U.S. reissue patent application no. 10/640278 and U.S. reissue patent application no. 11/542043 (the divisional reissue patent application of U.S. reissue patent application no. 10/640278); and

9.3.11 as of the Effective Date, Bayer and its Affiliates are in compliance in all material respects with, and have not received any written notice of breach pursuant to, any agreement relating to the Bayer Intellectual Property, including without limitation the CRADA, the EPITRON Contract, the Patent License Agreement or the MTAs, where such breach or failure to comply would materially adversely affect its or Licensee's ability to carry out either of their respective responsibilities under this Agreement or the Development, Manufacture or Commercialization of the Product in the Territory for use in the Field or the rights or licenses granted to Licensee under Section 2.1 of this Agreement.

9.4 Disclaimer. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, EACH PARTY EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR

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**X. INTELLECTUAL PROPERTY**

10.1 Ownership of Intellectual Property.

10.1.1 Bayer Intellectual Property. Licensee acknowledges that Bayer shall retain all of its right, title and interest in and to the Bayer Intellectual Property, and that nothing contained in this Agreement shall be construed to convey any rights or proprietary interest in the Bayer Intellectual Property, other than the specific licenses and rights granted to Licensee pursuant to Section 2.1 of this Agreement.

10.1.2 Licensee Intellectual Property. Bayer acknowledges that Licensee and its Affiliates shall retain all of their right, title and interest in and to the Licensee Intellectual Property, and that nothing contained in this Agreement shall be construed to convey any rights or proprietary interest in the Licensee Intellectual Property to Bayer.

10.1.3 Inventions. All Inventions: (1) made solely by employees, consultants or contractors of Bayer shall be owned solely by Bayer; (2) made solely by employees, consultants or contractors of Licensee shall be owned solely by Licensee; and (3) made jointly by employees, consultants or contractors of both Parties shall be owned jointly by the Parties (a "Joint Invention"). Any Joint Invention within the Field shall be subject to the licenses and rights granted to Licensee under Section 2.1 of this Agreement and, thus subject to the royalty payments and other consideration set forth in Article VI. Each Party shall have the right to exploit Joint Inventions outside the Field, to the extent it can do so without infringing on the other Party's other intellectual property, without compensation, liability or other obligation (including without limitation accounting obligations) to the other Party.

10.2 Prosecution of Patents and Related Activities.

10.2.1 Bayer Patents. Bayer shall be responsible, at its sole discretion and expense, for preparing, filing, prosecuting and maintaining (including conducting any interferences, reexaminations, reissues and oppositions) all Bayer Patents (including, for the avoidance of doubt, any Patents relating to Inventions owned solely by Bayer), in such countries it deems appropriate, by itself, through an Affiliate, or with Third Parties. Upon \*\*\* written notice to Licensee, Bayer may elect to abandon or discontinue the prosecution of any Bayer Patent and/or not to file, pay the maintenance fees, or conduct any further activities with respect to the Bayer Patents. In the event Bayer declines to file or, having filed, fails to further prosecute or maintain any Bayer Patents or to conduct any interferences, re-examinations, reissues, or oppositions with respect thereto, Bayer shall promptly notify Licensee (such notification to be given as early as possible which in no event will be less than \*\*\* prior to the date on which said Bayer Patents will become abandoned, such payment is due or such proceeding is scheduled to

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occur). Thereafter, Licensee shall, at its sole expense, have the right to prepare, file, prosecute and maintain such Bayer Patents in such countries as it deem appropriate, and conduct any interferences, re-examinations, reissues or oppositions. Bayer agrees to assign all right, title and interest in and to such Bayer Patents to Licensee and to cooperate, at Licensee's expense, in any manner reasonably requested by Licensee in connection with any such actions by Licensee; *except* that Bayer shall not be required to communicate directly with any inventors of the Bayer Patents who are not employees of Bayer or of its Affiliates. For the avoidance of doubt, any Bayer Patent assigned to Licensee by Bayer as set forth in the preceding sentence shall cease being a Bayer Patent for all purposes under this Agreement.

10.2.2 Licensee Patents. Licensee shall be responsible, at its sole discretion and expense, for preparing, filing, prosecuting and maintaining (including conducting any interferences, re-examinations, reissues and oppositions) all Licensee Patents, including Patents relating to the Inventions owned solely by Licensee, in such countries it deems appropriate, by itself, through an Affiliate, or with Third Parties.

10.2.3 Joint Patents. Bayer and Licensee shall share equally all costs and expenses of preparing, filing, prosecuting and maintaining patent applications and patents relating to Joint Inventions; *except that*, if either Party (the "Non-Electing Party") elects not to pay its share for: (i) the filing of a patent application in any country in the Territory on any Joint Invention that the other Party reasonably believes is patentable, or (ii) the further prosecution or maintenance of any patent application or patent on any Joint Invention in any country in the Territory, or (iii) the filing of any divisional or continuing patent application (based on a prior patent application or patent) on a Joint Invention in any country in the Territory, the Non-Electing Party shall notify the other Party in writing in a timely manner and the other Party may do so at its own expense. In the event that the other Party elects to proceed with any such filing or further prosecution or maintenance, the Non-Electing Party shall assign its rights in and to such patent or patent application in such country to the other Party, and all of the Non-Electing Party's rights in such patent or patent application in such country shall cease; *except* in the case of any such patent or patent application assigned by Licensee to Bayer which shall remain subject to the licenses and rights granted to Licensee under Section 2.1.

10.2.4 Cooperation; Request to Responsible Party. Bayer and Licensee shall each keep the other reasonably informed as to the status of patent matters described in this Section 10.2.1 and 10.2.3, including, without limitation, providing the other Party reasonable opportunity to review and comment on any documents which will be filed in any patent office as far in advance of filing dates as feasible, and providing the other copies of any documents that such Party receives from such patent offices promptly after receipt, including notice of all interferences, reissues, re-examinations, oppositions or requests for patent term extensions. Each Party shall consider in good faith all reasonable requests made by the other Party with regard to the preparation, filing, prosecution and/or maintenance of the responsible Party's Patents.

10.3 Infringement of Intellectual Property.

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10.3.1 Notice of Infringement. A Party who learns of any infringement or threatened infringement by a Third Party of any Bayer Intellectual Property or Licensee Intellectual Property or any Joint Invention shall promptly notify the other Party thereof and provide such other Party with all available evidence of such infringement or alleged infringement.

10.3.2 Enforcement Rights.

10.3.2.1 Bayer Intellectual Property. Subject to the terms and conditions of the Patent License Agreement with respect to the Existing Bayer Patents listed in Schedule 4b of this Agreement, Bayer, by itself, through an Affiliate, or with Third Party licensors of the Bayer Patents, shall have the right (but not the obligation) to initiate and conduct, at its sole expense, legal proceedings to enforce the Bayer Intellectual Property against any infringement or misappropriation by Third Parties or defend any declaratory judgment action involving the Bayer Patents (the "Enforcement Action"). If, within \*\*\* following receipt of a written notice of an infringement or misappropriation of any Bayer Intellectual Property or written notice of a declaratory judgment action alleging invalidity or unenforceability of a Bayer Patent, Bayer fails to initiate the Enforcement Action, then Licensee shall have the right (but not the obligation) to initiate and conduct the Enforcement Action in its own name and at its sole expense. Bayer agrees to be joined as a party plaintiff in any Enforcement Action initiated and conducted by Licensee, if requested by Licensee; *provided, however*, that Licensee agrees in writing to undertake to pay to Bayer all reasonable costs and expenses incurred by Bayer in being so joined. Any award paid by Third Parties as a result of an Enforcement Action (whether by way of settlement or otherwise) shall be applied first to reimburse the Party who initiated and conducted the Enforcement Action for all out-of-pocket costs and expenses and, if after such reimbursement, any funds shall remain from such an award, said funds shall be allocated as follows: (1) punitive and exemplary damages shall be \*\*\*; and (2) compensatory damages shall be allocated to Licensee and be treated as Net Sales in the month awarded.

10.3.2.2 Licensee Intellectual Property. Licensee shall, by itself, through an Affiliate, or with Third Party licensors of any portion of the Licensee Intellectual Property, have the right (but not the obligation) to initiate and conduct, at its sole cost, legal proceedings to enforce the Licensee Intellectual Property against any infringement or misappropriation by Third Parties or defend any declaratory judgment action involving the Licensee Intellectual Property.

10.3.2.3 Joint Inventions. With respect to the initiation and conduct of legal proceedings to enforce Joint Inventions, each Party may proceed in such a manner as the law permits. Each Party shall bear its own cost and expense, and any award paid by Third Parties as a result of such legal proceedings (whether by way of settlement or otherwise) shall be applied first to reimburse the Parties for their out-of-pocket costs and expenses on a pro-rata basis, and any remaining proceeds shall be allocated equitably between the Parties. If the Parties elect to cooperate in instituting and conducting legal proceedings to enforce Joint Inventions, the

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costs and expenses thereof, and the sharing of any award there from, shall be shared by the Parties in such proportions as they may agree in writing.

10.3.3 Settlement of Claims; Cooperation. Subject to the terms and conditions of the Patent License Agreement with respect to the Existing Bayer Patents listed in Schedule 4b of this Agreement, neither Party shall enter into any settlement or compromise of any legal proceeding subject to Sections 10.3.2.1 or 10.3.2.3, which admits or concedes that any aspect of the Bayer Intellectual Property or any Joint Invention, respectively, is invalid or unenforceable, without the prior written consent of the other Party. The Party who initiates and conducts any legal proceeding subject to this Section 10.3.3 shall keep the other Party reasonably informed of the progress of any such legal proceeding. At the request and expense of the Party who initiates and conducts any legal proceeding subject to this Section 10.3.3, the other Party shall reasonably cooperate in connection with such Party's initiation and conduct of such legal proceeding, including, without limitation, executing all necessary and proper documents and taking such actions as shall be appropriate to allow the other Party to institute and conduct such legal proceedings.

10.4 Claims of Infringement by Third Parties. If the Development, Manufacture or Commercialization of the Product in the Field results in any Claim against Licensee, its Affiliates or Sublicensees, alleging infringement or misappropriation of Third Party Patents or Know-How, then Licensee shall defend any such Claim and be responsible for all damages incurred as a result thereof, unless such Claim is subject to indemnification by Bayer pursuant to Section 11.1 or the CMC Development, Manufacture and Supply Agreement. Bayer agrees to reasonably assist and cooperate with Licensee, at Licensee's request and expense, in the defense of any such Claim by Licensee; *except* that Bayer shall not be required to communicate directly with any inventors of the Bayer Patents who are not employees of Bayer or of its Affiliates. If the Development, Manufacture or Commercialization of the Product in the Field results in any Claim against Bayer, or its Affiliates, alleging infringement or misappropriation of Third Party Patents or Know-How, then Bayer shall notify Licensee of such Claim in accordance with Section 11.3 and Licensee shall defend such Claim and be responsible for all damages incurred as a result thereof, unless such Claim is subject to indemnification by Bayer pursuant to Section 11.1 or the CMC Development, Manufacture and Supply Agreement.

10.5 Third Party Patent Rights. If, during the Term, Licensee deems it necessary, in its sole discretion, to seek or obtain a license from any Third Party in order to Develop, Manufacture and Commercialize the Product in the Field pursuant to the rights and licenses granted to Licensee under Section 2.1, Licensee may do so, at its sole cost and expense; *provided, however*, that any failure by Licensee to obtain such a license from such a Third Party shall not be grounds for Bayer to claim any failure of Licensee to diligently Commercialize the Product in the Territory for use in the Field if such Commercialization of the Product would infringe or misappropriate the Third Party's Patents or Know-How.

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10.6 Trademarks. Licensee shall market the Product in the Territory under a trademark or trademarks (collectively, the "Trademarks") selected by Licensee. Licensee shall own all right, title and interest in and to such Trademarks. Bayer hereby acknowledges and agrees that Licensee shall retain all right, title and interest in and to the Trademarks and the Syndax Pharmaceuticals, Inc. name and logo, and accordingly agrees to, at no time during the Term of this Agreement, challenge or assist others to challenge the Trademarks or the registration thereof or attempt to register any trademarks, service marks, trade names or logos confusingly similar to the Trademarks or the Syndax Pharmaceuticals, Inc. name and logo.

## XI. INDEMNIFICATION; INSURANCE

11.1 By Bayer. Bayer shall indemnify, defend and hold harmless Licensee, its Affiliates and their respective directors, officers, employees, consultants, representatives and agents (each a "Licensee Indemnitee") from and against any and all Losses resulting from Claims against a Licensee Indemnitee arising from or occurring as a result of: (i) any breach of the representations, warranties or covenants made by Bayer herein; or (ii) the negligence or willful misconduct of Bayer or its Affiliates; except, in each case, to the extent caused by the negligence or willful misconduct of Licensee, its Affiliates or Sublicensees.

11.2 By Licensee. Licensee shall indemnify, defend and hold harmless Bayer, its Affiliates, and their respective directors, officers, employees consultants, representatives and agents (each a "Bayer Indemnitee") from and against any and all Losses resulting from Claims against a Bayer Indemnitee, arising from or occurring as a result of: (i) any breach of the representations, warranties or covenants made by Licensee herein; (ii) the practice by Licensee of any license or right granted herein; (iii) any Development, testing, Manufacture or Commercialization of the Product by Licensee, its Affiliates or Sublicensees (including, without limitation, product liability claims); or, (iv) the negligence or willful misconduct of Licensee, its Affiliates or Sublicensees; except, in each case, to the extent caused by the negligence or willful misconduct of Bayer or its Affiliates.

11.3 Indemnification Procedure. In the event that a Claim subject to the indemnification provisions set forth in Sections 11.1 or 11.2 is made and a Licensee Indemnitee or Bayer Indemnitee, as applicable, intends to invoke its right to indemnification under this Article XI, Licensee or Bayer, as the case may be, shall promptly notify the other Party (the "Indemnitor") thereof, in writing. The Indemnitor shall have the sole right to control the defense and settlement of such Claim including the sole right to settle such a Claim, in its sole discretion, *provided, however*, that if any such settlement requires an admission of fault or liability by, or imposes any obligation on, a Licensee Indemnitee or Bayer Indemnitee, as the case may be, or the other Party, then the prior written consent of the Licensee Indemnitee or Bayer Indemnitee, and the Licensee or Bayer, as the case may be, shall be required before the Indemnitor may execute and deliver such a settlement. The Licensee Indemnitee or Bayer Indemnitee, as applicable, shall cooperate with the Indemnitor and its legal representatives in the investigation of such Claim (at the expense of Indemnitor), and refrain from engaging in any actions that

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would adversely affect Indemnitor's defense or settlement thereof. The Licensee Indemnitee or Bayer Indemnitee, as applicable, shall not, except at its own cost, voluntarily make any payment or incur any expense with respect to such a Claim, without the prior written consent of the Indemnitor, which the Indemnitor shall not be required to give.

11.4 Insurance. Each Party shall maintain, and shall require its Affiliates and Sublicensees hereunder to maintain, a commercial general liability and product liability insurance program on terms customary in the pharmaceutical industry covering all activities and obligations of it, and, as the case may be, its Affiliates, hereunder, or other programs with comparable coverage, up to and beyond the expiration or termination of this Agreement during (i) the period that any Product is being commercially distributed or sold by a Party, its Affiliates or Sublicensees, and (ii) a commercially reasonable period thereafter. In lieu of the insurance coverage described above, each Party shall have the right to undertake a program of self-insurance to cover its indemnity obligations hereunder, with financial protection comparable to that arranged by it for its own protection with regard to other products in its product line. Each Party shall provide the other with proof of such insurance program at the other Party's written request.

11.5 Survival. This Article XI shall survive expiry and termination of this Agreement for any reason.

## XII. TERM AND TERMINATION

12.1 Term. This Agreement shall commence on the Effective Date and shall continue in full force and effect until the expiration of the Royalty Term in the last country within the Territory (the "Term"), unless earlier terminated as provided in this Article XII.

12.2 Termination for Cause. The failure of a Party (the "Defaulting Party") to comply with any of its material obligations under this Agreement, shall entitle the other Party (the "Notifying Party") to give the Defaulting Party written notice requiring the Defaulting Party to cure such default. If such default is not cured within \*\*\* after receipt by the Defaulting Party of such written notice of default, the Notifying Party shall be entitled (without prejudice to any of its other rights at law or in equity, or conferred on it by the Agreement) to terminate this Agreement, by giving the Defaulting Party written notice of termination, which termination shall take effect immediately. Notwithstanding the foregoing, in the event of a non-monetary default, if the default is not reasonably capable of being cured by the Defaulting Party within the \*\*\* cure period and the Defaulting Party is making a good faith effort to cure such default, the Notifying Party may not terminate this Agreement; *provided, however*, that the Notifying Party may terminate this Agreement if such default is not cured within \*\*\* after receipt by the Defaulting Party of the original written notice of default. The right of a Notifying Party to terminate this Agreement as herein above provided shall not be affected in any way by its waiver of, or failure to take action with respect to, any previous default of the Defaulting Party.

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**12.3 Termination for Insolvency.** A Party shall have the right to immediately terminate this Agreement, effective upon written notice of such termination, in the event that: (i) voluntary or involuntary proceedings by or against the other Party are instituted in bankruptcy under any insolvency law, (ii) a receiver or custodian is appointed for the other Party, (iii) proceedings are instituted by or against the other Party for corporate reorganization or dissolution of such Party, which proceedings, if involuntary, shall not have been dismissed within \*\*\* after the date of filing, (iv) the other Party makes an assignment for the benefit of creditors, or (v) substantially all of the assets of the other Party are seized or attached and not released within \*\*\* thereafter. Each Party agrees (to the extent it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim to take the benefit or advantage of, any stay or extension law or any other law wherever enacted, now or at any time hereafter in force, which would prohibit the termination of this Agreement or in any way modify the effects of such a termination as provided in this Agreement. Furthermore, each Party (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the other Party, but will suffer and permit the execution of every power as though no such law had been enacted.

**12.4 Termination for Challenge.** Bayer shall have the right to terminate this Agreement, effective upon \*\*\* written notice to Licensee, in the event that Licensee takes any action, serves any notice, or commences any proceeding seeking to revoke or challenge the validity of any of the Bayer Patents or if Licensee procures or assists a Third Party to take any such action.

**12.5 Termination Upon Change of Control.** Bayer shall have the right to terminate this Agreement, effective upon \*\*\* prior written notice of such termination to Licensee, in the event that Licensee undergoes a Change of Control prior to the exercise of the Partnering Right by Licensee, pursuant to Article V of this Agreement; *provided, however*, that any such notice of termination must be delivered within \*\*\* after Licensee provides Bayer with written notice of such Change of Control.

**12.6 Effect of Termination and Expiration.**

**12.6.1 Accrued Rights and Obligations.** Termination of this Agreement, in whole or in part, for any reason shall not: (i) release any Party hereto from any liability which, at the time of such termination, has already accrued to the other Party or which is attributable to a period of time prior to such termination, nor (ii) preclude either Party from pursuing any rights and remedies it may have hereunder or at law or in equity with respect to any breach of this Agreement. It is understood and agreed that monetary damages may not be a sufficient remedy for any breach of this Agreement and that the non-breaching Party may be entitled to injunctive relief as a remedy for any such breach.

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12.6.2 Return of Information. Upon the termination of this Agreement, for any reason, each Party shall promptly return to the other Party all tangible Information of such other Party that is in said Party's custody, possession or Control, except that said Party may retain one (1) copy of such tangible Information for archival purposes and for ensuring said Party's compliance with Article VIII.

12.6.3 Stock on Hand. In the event this Agreement is terminated in its entirety for any reason, Licensee shall have the right to sell or otherwise dispose of Licensee's commercial stock of the Product then on hand \*\*\*. Sales made pursuant to this clause shall be treated as Net Sales and royalty thereon shall be paid to Bayer.

12.7 Survival. The rights and obligations set forth in this Agreement shall extend beyond the expiration or termination of this Agreement only to the extent expressly provided for herein, or to the extent that the survival of such rights or obligations is necessary to permit their complete fulfillment or discharge.

### XIII. MISCELLANEOUS

13.1 Governing Law. This Agreement shall be governed by the laws of the State of New York without regard to principles of conflicts of laws thereof.

13.2 Jurisdiction. Each of the Parties hereto irrevocably submits to the jurisdiction of (i) the United States District Court for the Southern District of New York, and (ii) the Supreme Court of the State of New York, New York County, for the purposes of any suit, action or other proceeding arising out of this Agreement, any agreement entered into in connection with this Agreement or any transaction contemplated hereby or thereby. Each of the Parties hereto agrees to commence any action, suit or proceeding relating hereto in the United States District Court for the Southern District of New York or, if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the Supreme Court of the State of New York, New York County. Each of the Parties hereto further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in Section 13.6 hereof shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction in this clause. Each of the Parties hereto irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement, any agreement entered into in connection with this Agreement or the transactions contemplated hereby or thereby in (a) the United States District Court for the Southern District of New York, and (b) the Supreme Court of the State of New York, New York County, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

13.3 Waiver of Jury Trial. Each Party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation arising out of or

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relating to this Agreement. Each Party (i) certifies that no representative, agent or attorney of the other Party has represented, expressly or otherwise, that such other Party would not, in the event of litigation, seek to enforce the foregoing waiver, and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications set forth above in this Section 13.3.

13.4 Independent Contractors. The relationship of Bayer and Licensee established by this Agreement is that of independent contractors, and nothing contained in this Agreement shall be construed to give either Party the power to direct or control the day-to-day activities of the other, or allow one Party to create or assume an obligation on behalf of the other Party for any purpose whatsoever. Bayer and Licensee are not deemed to be agents, partners or joint ventures of the other for any purpose as a result of this Agreement or the transactions contemplated by this Agreement.

13.5 Assignment. This Agreement may not be assigned or otherwise transferred by either Party without the prior written consent of the other Party; *provided, however*, that (i) Bayer may, without such consent, assign its rights and obligations under this agreement to any Affiliate, and (ii) either Bayer or Licensee may, in connection with a merger, consolidation or sale of all or substantially all of such Party's assets to an unrelated Third Party, assign its rights and obligations under this Agreement to such Third Party; *provided, however*, with respect to this Subsection (ii) above, that such Party's rights and obligations under this Agreement shall be assumed in writing by its successor in interest in any such transaction and, in the case of Licensee, shall not be transferred separate from all or substantially all of its other business assets, including those business assets that are the subject of this Agreement. Notwithstanding the foregoing, this Agreement may not be assigned or otherwise transferred by Licensee to a Third Party prior to the exercise of the Partnering Right by Licensee. Any purported assignment in violation of this Section shall be null and void and of no legal effect. Any permitted assignee shall assume, in a writing promptly delivered to the other Party to this Agreement, all obligations of its assignor under this Agreement.

13.6 Notices. All notices and other communications provided for herein shall be dated and in writing and shall be deemed to have been duly given when sent by nationally recognized express courier or registered or certified mail, return receipt requested, postage prepaid and when received, if delivered personally or otherwise, to the Party to whom it is directed at its address indicated below:

If to Bayer: Bayer Schering Pharma AG  
Muellerstrasse 178, D-13342  
Berlin, Germany  
Attn: Legal Department

With a copy to: Berlex, Inc.  
340 Changebridge Road

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Pine Brook, NJ 07058  
Attn: Berlex Pharmaceuticals Legal Department

-and-

Berlex, Inc.  
340 Changebridge Road  
Pine Brook, NJ 07058  
Attn: Corporate Business Development

If to Licensee: Syndax Pharmaceuticals, Inc.  
12481 High Bluff Drive, Suite 150  
San Diego, CA 92130  
Attn: President & CEO

With a copy to: Reed Smith, LLP  
Princeton Forrestal Village  
136 Main Street, Suite 250  
P.O. Box 7839  
Princeton, NJ 08543  
Attn: Diane M. Frenier, Esq.

or at such other address as may have been specified by notice in writing to the other Party; provided that any such notice of change of address shall be deemed to have been duly given only when actually received.

13.7 Force Majeure. A Party shall not lose any rights hereunder or be liable to the other Party for any damages or losses (except for payment obligations) or be considered in breach of this Agreement on account of the failure to perform, and the time required for performance shall be extended for a period of time equal to the duration of the Force Majeure Event and \*\*\*, if such failure to perform is occasioned by war, strike, fire, act of God, insurrections, terrorism, riots, injunctions, shortages of energy, earthquake, flood, embargo, governmental acts or orders or restrictions, failure of suppliers, or any other reason where the failure to perform is beyond the reasonable control and not caused by the negligence, intentional conduct or misconduct of said Party ("Force Majeure Event"); *provided, however*, that said Party has exerted all reasonable efforts to avoid or remedy such Force Majeure Event. Notwithstanding the foregoing, if a Force Majeure Event continues for a period of more than \*\*\*, the other Party shall be entitled to terminate this Agreement upon written notice.

13.8 Amendments. No amendment, modification or addition to this Agreement shall be effective or binding on either Party unless set forth in writing and executed by duly authorized representatives of both Parties.

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13.9 Advice of Counsel. Bayer and Licensee have each consulted counsel of their choice regarding this Agreement, and each acknowledges and agrees that this Agreement shall not be deemed to have been drafted by one Party or another and will be construed accordingly.

13.10 Compliance with Laws. Each Party shall furnish to the other Party any information requested or required by that Party during the term of this Agreement, or any extensions hereof, to enable that Party to comply with the requirements of any government agency.

13.11 Further Assurances. Each Party shall, at any time, or from time-to-time, on and after the Effective Date of this Agreement, at the request of the other Party: (i) deliver to the requesting Party any records, data or other documents consistent with the provisions of this Agreement, (ii) execute and deliver, or cause to be delivered, all such consents, documents or further instruments of transfer or license, and (iii) take or cause to be taken all such actions as the requesting Party may reasonably deem necessary, in order for the requesting Party to obtain the full benefits of this Agreement and the transactions contemplated hereby.

13.12 Severability. In the event that any provisions of this Agreement are determined to be invalid or unenforceable by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect without said provision. In such event the Parties shall, in good faith, negotiate a substitute clause for any provision declared invalid or unenforceable, which shall most nearly approximate the intent of the Parties entering into this Agreement.

13.13 Waiver. It is agreed that no waiver by either Party of any breach of default of any of the covenants or agreements herein set forth shall be deemed a waiver as to any subsequent and/or similar breach or default, and, except as otherwise set forth herein, no delay in enforcing any right, power or remedy shall operate as a waiver. No waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by the Party giving such waiver.

13.14 Complete Agreement. This Agreement, together with its Schedules, constitutes the entire agreement, both written and oral, between the Parties with respect to the subject matter hereof, and all prior agreements with respect to the subject matter hereof, either written or oral, expressed or implied, are hereby merged and canceled, and are null and void and of no effect.

13.15 Use of Name. Neither Party shall use the name, trademarks (including, for the avoidance of doubt, the Trademarks), trade names, nor logos of the other Party, without the prior written consent of such other Party, except in connection with the disclosure of the existence of this Agreement as set forth in Article VIII, or as otherwise specifically permitted in this Agreement.

13.16 Headings. The captions to the Sections and Articles of this Agreement are not a part of this Agreement, but are included merely for convenience of reference only and shall not

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affect the meaning or interpretation of the express terms and conditions set forth in this Agreement.

13.17 Counterparts. This Agreement may be executed in counterparts, all of which shall be deemed an original and which together shall constitute one instrument.

13.18 Third Party Beneficiaries. No person, other than Bayer, Licensee, their Affiliates and their permitted assignees hereunder, shall be deemed an intended beneficiary hereunder or have any right to enforce any obligation set forth in this Agreement.

*\*\*\*signature page follows\*\*\**

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IN WITNESS WHEREOF, Bayer and Licensee have each executed this License, Development and Commercialization Agreement, as of the date written above, by their respective duly authorized representatives.

**BAYER SCHERING PHARMA AG**

By: /s/ Ulrich Grohé

Print Name: Ulrich Grohé

Title: General Counsel

By: /s/ Dr. Ulrich Köstlin

Print Name: Dr. Ulrich Köstlin

Title: Member of the Executive Board

**SYNDAX PHARMACEUTICALS, INC.**

By: /s/ Joanna Horobin

Print Name: Joanna Horobin

Title: President and Chief Executive Officer

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Schedule 1

Development Plan

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\*\*\* INDICATES 12 PAGES OF MATERIAL THAT WERE OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

## Schedule 2

### Guidelines

- The valuation of the Preferred Third Party Offer and Final Offer shall be calculated utilizing the discounted cash flow methodology.
- The valuation of the Preferred Third Party Offer will be offset by the discounted cash flow value of all financial consideration (*e.g.*, upfront and milestone payments, royalties, warrants, etc.) payable by Licensee to Bayer under this Agreement.
- The valuation of the Preferred Third Party Offer and Final Offer shall be performed using the following list of assumptions, and such other assumptions as may be mutually agreed to by the Parties pursuant to the paragraph below:

\*\*\*

- Within \*\*\* from the date of receipt of the Notice of Third Party Offer by Bayer, the Parties shall meet to propose and discuss additional assumptions to be utilized by the Independent Auditor for the valuation of the Preferred Third Party Offer and Final Offer. If the Parties cannot mutually agree to include in the list of assumptions above any of the additional assumptions proposed by one Party within \*\*\*, then the Independent Auditor shall be instructed to review such additional assumptions and decide, within \*\*\*, whether to include such additional assumptions in the list of assumptions above.

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Schedule 3

Patent License Agreement

\*\*\*

\*\*\* INDICATES 20 PAGES OF MATERIAL THAT WERE OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

S3-i

Schedule 4a

Existing Bayer Patents

\*\*\*

\*\*\* INDICATES 3 PAGES OF MATERIAL THAT WERE OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

S4a-i

Schedule 4b

Existing Bayer Patents

\*\*\*

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S4b-i

Schedule 5

Summary of Information Transfer

Bayer to transfer to Licensee the information identified below, to the extent the information is in the possession, custody or control of Bayer. It is agreed and understood that regulatory files need to be transferred to Licensee prior to transfer of ownership of the IND to Licensee.

The information identified below is listed in the order of priority that Licensee would like to receive such information. Bayer agrees to undertake Commercially Reasonable Efforts to take this prioritization into consideration when providing such information to Licensee.

\*\*\*

**\*\*\* INDICATES 2 PAGES OF MATERIAL THAT WERE OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

Schedule 6

**Summary Terms and Conditions**  
**For Manufacturing and Supply of Product**

- Bayer would perform or procure CMC/Process Development of the Product, including without limitation, the generation of reports relevant for the dossier and realization of process validation.
- Bayer would prepare a Product master plan to detail the CMC/Process Development related activities to be undertaken by Bayer, the timeline for such activities and the budget, on a time-and-materials basis, for such activities, which would be subject to the review and approval of the Licensee. The Product master plan would include, collectively:
  - the Product specifications;
  - the CMC/Process Development plans and budget
  - a CMC regulatory plan and budget
- Licensee would reimburse Bayer for CMC/Process Development activities \*\*\*; provided that Licensee would not reimburse Bayer for \*\*\* unless such \*\*\* have been approved by the Licensee in advance.
- Bayer would promptly inform Licensee of potential or planned Product development changes deemed significant by Bayer with respect to the manufacturing process, analytical methodology, specifications, components and composition, packaging, and labeling of the Product. A significant change being a change that has a substantial potential to have an adverse effect on the identity, strength, quality, purity, or potency of the Product as these factors may relate to the safety or effectiveness of the Product. A significant change would require the submission of a supplement to the DMF by Bayer and approval of the change by Licensee prior to implementing the change.
- Licensee would have the right to audit Bayer facilities in accordance with the terms set forth in the Quality Agreement for compliance with GMP and applicable Product and establishment standards. Such audits would be scheduled at mutually agreeable times upon reasonable advance written notice to Licensor, would be at Licensee's expense, and would \*\*\* unless required by Licensor's compliance status or Licensee's obligations as a license holder.
- Notwithstanding the foregoing, at any time after the occurrence of the Triggering Event, Bayer would have the right (but not obligation), upon \*\*\* written notice to Licensee, to cease carrying out the CMC/Process Development of the Product without further obligation to Licensee, and to transfer sole responsibility for the CMC/Process Development of the Product to Licensee. Upon such transfer, Licensee would have the right (but not obligation)

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to assume sole responsibility for manufacture and supply of the Product. In the event of such transfer, Bayer would (i) carry out a technical transfer to Licensee / Third Party designee, and (ii) terminate obligations in accordance with the Quality Agreement between the parties. Bayer would agree to cooperate with, and to work in good faith with, Licensee to facilitate transfer to a Third Party manufacturer such that the development timelines remain reasonably intact (if prior to NDA approval) or that commercial supplies are not disrupted (if post-NDA approval) for a period of up to \*\*\* after such written notice.

- Bayer would supply available stock of the Product to Licensee, the cost of which would be set forth in the CMC Development, Manufacture and Supply Agreement. Available stock must be expected to remain within specifications (as defined in the DMF) for the expected duration of use and such evidence will be provided to Licensee.
- In the event that Bayer wishes to transfer CMC/Process Development or manufacturing or testing to a Third Party, selection of the Third Party provider would be made mutually by the Parties.
- Prior to consumption of the available stock of the Product, and upon agreement of Licensee, Bayer would manufacture or have manufactured and supply to Licensee, and Licensee would purchase exclusively from Bayer, Licensee's requirement of Product for the Development and Commercialization of the Product in the Territory for use in the Field in accordance with agreed upon forecast and order procedures. Bayer would inform Licensee about inventory of Product on a regular basis.
- Notwithstanding the foregoing, at any time after the occurrence of the Triggering Event, Bayer would have the right (but not obligation), upon \*\*\* written notice to Licensee, to terminate the CMC Development, Manufacture and Supply Agreement without further obligation to Licensee and to transfer sole responsibility for the manufacture and supply of the Product to Licensee. Bayer agrees to cooperate with, and to work in good faith with, Licensee to facilitate transfer to a Third Party manufacturer such that the development timelines remain reasonably intact (if prior to NDA approval) or that commercial supplies are not disrupted (if post-NDA approval) for a period of up to \*\*\* after such written notice. In the event that Bayer would transfer sole responsibility for the manufacture and supply of Product to Licensee, Bayer would (i) carry out a technical transfer to Licensee / Third Party designee, and (ii) terminate obligations in accordance with the Quality Agreement between the parties.
- In the event that Bayer would transfer sole responsibility for the manufacture and supply of Product to Licensee, then Licensee would not, until the earlier of the expiration of either (i) the last to expire Bayer Patent containing a Valid Claim, or \*\*\*, purchase the Compound from any party other than Mitsui, unless Licensee first offers to purchase the Compound from Mitsui Chemicals, Inc. on terms proposed by Licensee. If Mitsui declines to supply the

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Compound to Licensee on such terms, Licensee may purchase the Compound on any terms not more favorable to Licensee than the terms proposed by Licensee to Mitsui.

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## Schedule 7

### **Dispute Resolution Procedure**

- Upon written request by either Party to the other Party, the Parties shall promptly negotiate, in good faith, to appoint a mutually acceptable independent expert, with the necessary scientific, technical and regulatory experience in the Development of pharmaceutical products in the Field (an "Expert") to resolve any disputed matter under Section 3.3.2.2 of this Agreement. If the Parties are not able to agree on an Expert within \*\*\* after the receipt by a Party of the written request in the immediately preceding sentence, the AAA shall be responsible for selecting an Expert within \*\*\* of receipt of a written request therefor by the Parties to the AAA.
- The disputed matter in question shall proceed under the then current expedited procedures applicable to the then current Commercial Arbitration Rules of the AAA, except as otherwise set forth below.
- The fees and expenses related to the Expert and of AAA shall be borne equally by the Parties.
- Within \*\*\* after the designation of the Expert, the Parties shall each submit, simultaneously to the Expert and one another, a written statement of their respective positions regarding such disputed matter. Each Party shall then have \*\*\* from receipt of the other Party's submission to submit to the Expert and the other Party a written response thereto, which shall include any scientific and technical information in support of such response.
- The Expert shall have the right to meet with the Parties, as necessary, to render his/her determination of the disputed matter. Any such meeting shall take place in the New York, New York offices of the AAA, unless the Parties agree to a different locale.
- No later than \*\*\* after the designation of the Expert, the Expert shall make a determination that the Expert deems to be fair and reasonable in light of the totality of the circumstances; *provided, however*, that substantive issues of law shall be governed by the laws of the State of New York. The Expert shall provide the Parties with a written statement setting forth the basis of the determination in connection therewith. The decision of the Expert shall be final and conclusive and such decision shall be deemed to be the decision of the Development Committee.

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Schedule 8

Other Technology

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Schedule 9

Third Parties

\*\*\*

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**FIRST AMENDMENT TO THE  
LICENSE, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT**

THIS FIRST AMENDMENT (this "Amendment") to the License, Development and Commercialization Agreement (as hereinafter defined), is effective as of the 13th day of October 2012 (the "Amendment Effective Date"), by and between Bayer Pharma AG (formerly known as Bayer Schering Pharma AG), a German corporation, with a place of business at Muellerstrasse 178, Berlin 13342, Germany ("Bayer"), and Syndax Pharmaceuticals, Inc., a Delaware corporation, with a place of business at 460 Totten Pond Road, Suite 650, Waltham, Massachusetts 02451, USA ("Licensee").

WHEREAS, Bayer and Licensee entered into that certain License, Development and Commercialization Agreement dated as of March 26, 2007 (the "License Agreement"); and

WHEREAS, Bayer and Licensee desire to amend the License Agreement to expand the definition of Field and update the Sales-Related Milestone Payments.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, Bayer and Licensee mutually agree as follows:

1. Definitions. Capitalized terms used in this Amendment and not otherwise defined in this Amendment shall have the meanings set forth in the License Agreement.

2. Effective Date. This Amendment shall become effective as of the Amendment Effective Date.

3. Consideration. In consideration of the grant by Bayer to Licensee of the additional rights to the Compound, Licensee shall pay to Bayer two hundred thousand United States dollars (US\$200,000) within five (5) Business Days of the earlier of (i) the closing of Licensee's Series B preferred stock financing or (ii) \*\*\* from the Amendment Effective Date. This payments will be unconditional and, as such, shall not be subject to any offset, credit, reduction or repayment for any reason whatsoever, whether provided for this Agreement or not.

4. Expansion of Field of Use. Section 1.41 of the License Agreement is hereby deleted in its entirety and replaced with the following:

"1.41 "Field" means any use of the Product in the treatment of disease in humans."

5. Revised Sales-Related Milestones. Section 6.3.3.1 is hereby deleted in its entirety and replaced with the following:

<u>Milestone</u>	<u>Payment</u>
Aggregate annual Net Sales of the Product in the Territory of \$***	\$ ***
Aggregate annual Net Sales of the Product in the Territory of \$***	\$ ***

6. Effect of Amendment. Except as expressly amended in this Amendment, all terms and conditions of the License Agreement shall remain in full force and effect.

7. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as indicated by the signatures below.

BAYER PHARMA AG

SYNDAX PHARMACEUTICALS, INC.

By: /s/ Andreas Fibig

By: /s/ Arlene M. Morris

Name: Andreas Fibig

Name: Arlene M. Morris

Title: Chairman of the Board of Management

Title: Chief Executive Officer

By: /s/ Flemming Ornskov

Name: Flemming Ornskov

Title: Head, Strategic Marketing Specialty Medicine

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**SECOND AMENDMENT TO THE  
LICENSE, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT**

THIS SECOND AMENDMENT (this "Amendment") to the License, Development and Commercialization Agreement (as hereinafter defined), is effective as of the 1<sup>st</sup> day of February 2013 (the "Second Amendment Effective Date"), by and between Bayer Pharma AG (formerly known as Bayer Schering Pharma AG), a German corporation, with a place of business at Muellerstrasse 178, Berlin 13342, Germany ("Bayer"), and Syndax Pharmaceuticals, Inc., a Delaware corporation, with a place of business at 460 Totten Pond Road, Suite 650, Waltham, Massachusetts 02451, USA ("Licensee").

WHEREAS, Bayer and Licensee entered into that certain License, Development and Commercialization Agreement dated as of March 26, 2007, as amended (the "License Agreement"); and

WHEREAS, Bayer and Licensee desire to amend the License Agreement to provide for a perpetual, irrevocable license following expiration of the term of the License Agreement and to grant sublicensees an option to acquire a direct license in the event that the License Agreement is terminated.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, Bayer and Licensee mutually agree as follows:

1. Definitions. Capitalized terms used in this Amendment and not otherwise defined in this Amendment shall have the meanings set forth in the License Agreement.

2. Effective Date. This Amendment shall become effective as of the Second Amendment Effective Date.

3. Post-Expiration License Rights. The following sentences are hereby added at the end of Section 12.1:

"Upon expiration of the Agreement the license granted under this Agreement shall become fully paid-up, exclusive, irrevocable, freely sublicensable, assignable and transferable. For clarity, any country in the Territory in which the Royalty Term has not commenced as of the expiration of the last to expire Bayer Patent containing a Valid Claim in such country in the Territory shall be ignored for purposes of determining whether the Royalty Term has expired in all countries within the Territory."

4. Survival of Sublicenses. The following is hereby added as a new Section 12.6.4:

"12.6.4. Survival of Sublicenses.

12.6.4.1. In the event that this Agreement is terminated for any reason, any sublicense granted by Licensee to a Sublicensee shall, at the election of such Sublicensee, survive such termination in accordance with the provisions of this Section 12.6.4, provided that such Sublicensee is at the time in full compliance with the terms of the applicable sublicense agreement.

12.6.4.2. Upon termination of this Agreement, Bayer shall automatically be deemed to have entered into a license agreement with Sublicensee pursuant to which it grants a license under the Bayer Intellectual Property (a "**Direct License**") directly to such Sublicensee. Each Direct License shall be subject to the same terms and conditions as those in such Sublicensee Agreement, including but not limited to scope, sublicense territory, duration of sublicense grant, financial and diligence obligations, in each case to the extent that such sublicense agreement provisions are not in conflict with the terms of this Agreement or applicable federal, state or local laws or regulations. In no event shall Bayer (a) be liable to Sublicensee for any actual or alleged breach of such sublicense agreement by Licensee or (b) have any obligations to such Sublicensee other than Bayer's obligations to Licensee as set forth herein. Notwithstanding of the foregoing, in no event shall Sublicensee be required to make any monetary payment(s) under the Direct License in excess of such monetary payment(s) that, had this Agreement not been terminated, Licensee would have been required to make under this Agreement as a result of the activities of such Sublicensee including without limitation Sublicensee's pro-rata share (based on aggregate annual Net Sales of the Product) of any sales milestone payment due pursuant to Section 6.3.3. At a Sublicensee's request, Bayer as soon as practicable shall sign a written license agreement with such Sublicensee to memorialize the terms of the Direct License, which written agreement shall be fully consistent with this Section 12.6.4 and the Sublicensee Agreement.

12.6.4.3. Each Sublicensee shall be an intended third party beneficiary of this Section 12.6.4, to the extent such Sublicensee exercises its option under this Section 12.6.4."

5. Effect of Amendment. Except as expressly amended in this Amendment, all terms and conditions of the License Agreement shall remain in full force and effect.

6. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as indicated by the signatures below.

BAYER PHARMA AG

SYNDAX PHARMACEUTICALS, INC.

By: /s/ Andreas Fibig

By: /s/ Arelene M. Morris

Name: Andreas Fibig

Name: Arlene M. Morris

Title: Chairman of the Board of Management

Title: Chief Executive Officer

By: /s/ Karl Ziegelbauer

Name: Karl Ziegelbauer

Title: Head TRG Oncology/Gynecological Therapy

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**THIRD AMENDMENT TO THE  
LICENSE, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT**

THIS THIRD AMENDMENT (this “Amendment”) to the License, Development and Commercialization Agreement (as hereinafter defined), is effective as of the 9<sup>th</sup> day of October 2013 (the “Third Amendment Effective Date”), by and between Bayer Pharma AG (formerly known as Bayer Schering Pharma AG), a German corporation, with a place of business at Muellerstrasse 178, Berlin 13342, Germany (“Bayer”), and Syndax Pharmaceuticals, Inc., a Delaware corporation, with a place of business at 400 Totten Pond Road, Suite 140, Waltham, Massachusetts 02451, USA (“Licensee”).

WHEREAS, Bayer and Licensee entered into that certain License, Development and Commercialization Agreement dated as of March 26, 2007, as amended (the “License Agreement”); and

WHEREAS, Bayer and Licensee desire to amend the License Agreement as described below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, Bayer and Licensee mutually agree as follows:

1. Definitions. Capitalized terms used in this Amendment and not otherwise defined in this Amendment shall have the meanings set forth in the License Agreement.

2. Effective Date. This Amendment shall become effective as of the Third Amendment Effective Date.

3. Sales Milestones. Section 6.3.3.1 of the License Agreement is hereby deleted in its entirety and replaced with the following:

6.3.3.1 Licensee shall make the following milestone payments to Bayer upon the occurrence of the corresponding event below:

<u>Milestone</u>	<u>Payment</u>
Aggregate annual Net Sales of Product in the Territory first reaches \$***	\$ ***
Aggregate annual Net Sales of Product in the Territory first reaches \$***	\$ ***
Aggregate annual Net Sales of Product in the Territory first reaches \$***	\$ ***



4. Royalties. Section 6.4 (including subsections 6.4.1 and 6.4.2) of the License Agreement is hereby deleted in its entirety and replaced with the following:

6.4. Royalty Payments. In partial consideration of the license and rights granted to it by Bayer under this Agreement, Licensee shall pay to Bayer, on a country-by-country basis, during the Royalty Term in each such country, a royalty on Net Sales of the Product, in the following amounts:

<u>Net Sales</u>	<u>Royalty (% of Net Sales)</u>
On that portion of annual Net Sales of the Product from \$*** to \$***	***%
On that portion of annual Net Sales of the Product from \$*** to \$***	***%
On that portion of annual Net Sales of the Product from \$*** to \$***	***%
On that portion of annual Net Sales of the Product above \$***	***%

5. Know-How Royalty. Section 6.5.2 of the License Agreement is hereby deleted in its entirety.

6. Effect of Amendment. Except as expressly amended in this Amendment, all terms and conditions of the License Agreement shall remain in full force and effect.

7. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

*[Signature Page Follows]*

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IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as indicated by the signatures below.

BAYER PHARMA AG

SYNDAX PHARMACEUTICALS, INC.

By: /s/ Andreas Fibig

By: /s/ Arlene M. Morris

Name: Andreas Fibig

Name: Arlene M. Morris

Title: Chairman of the Board of Management of Bayer Pharma AG

Title: Chief Executive Officer

By: /s/ Karl Ziegelbauer

Name: Karl Ziegelbauer

Title: Head TRG Oncology/Gynecological Therapy

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Bayer HealthCare



Syndax Pharmaceuticals, Inc.  
400 Totten Pond Road, Suite 140  
Waltham, Massachusetts 02451  
USA  
Attention: Arlene M. Morris, Chief Executive Officer

**Re: License, Development and Commercialization Agreement dated as of March 26, 2007, as amended, (the "License Agreement") between Bayer Pharma AG (formerly known as Bayer Schering Pharma AG), a German corporation ("Bayer"), and Syndax Pharmaceuticals, Inc., a Delaware corporation ("Syndax")**

18.09.2014

Dear Ms. Morris:

Bayer Pharma AG  
Julio Triana

The purpose of this letter is to memorialize certain understandings between Bayer and Syndax regarding payment of the first milestone listed in Section 6.3.1 of the License Agreement.

Postadresse:  
13342 Berlin, Deutschland  
Besucheradresse:  
Müllerstraße 178  
13353 Berlin, Deutschland  
Tel. +49 30 468 193887  
Julio.triana@bayer.com

Syndax has confirmed that the first milestone listed in Section 6.3.1 of the License Agreement (that is, "Signature of an informed consent form by a patient in a Phase III Clinical Trial") has been achieved as of 30 June 2014.

Notwithstanding the requirement that the \$2,000,000 payment related to the first milestone listed in Section 6.3.1 of the License Agreement (that is, "Signature of an informed consent form by a patient in a Phase III Clinical Trial") shall be made by Syndax to Bayer within \*\*\* following achievement of such milestone, payment shall be made in two (2) installments as follows:

www.bayerpharma.de

Vorstand:  
Dieter Weinand  
Vorsitzender  
Hartmut Klusik  
Manfred Vehreschild

Vorsitzender des  
Aufsichtsrats:  
Michael König

<u>Installments</u>	<u>Payment</u>	<u>Sitz der Gesellschaft:</u>
1. First installment due no later than December 31, 2014	\$1,000,000	Berlin
2. Second installment due upon the earlier of (i) receiving gross proceeds of at least \$50,000,000 from an equity financing (public or private) or (ii) July 31, 2015	\$1,000,000	Eintragung: Amtsgericht Charlottenburg HRB 283

The payment shall be subject to late payment interest at 2.231% (the three (3) month LIBOR rate as of 30 June 2014, plus a premium of two percent (2%)). Interest shall be calculated based on the actual number of days in the interest period divided by 360 and shall be calculated from the original due date (inclusive) until the date of payment (exclusive).

Capitalized terms, unless defined herein, have the meaning given to such term in the Agreement. Except as agreed to in this letter, all other provisions of the Agreement shall remain in full force and effect.

If you are in agreement with this summary, please countersign a copy of this letter and return it to Claudia Kambach by e-mail at \*\*\*.

Very truly yours,

BAYER PHARMA AG

By: /s/ Julio Triana  
Name: Julio Triana  
Title: Senior Vice President

By: /s/ Sven Hauser  
Name: Sven Hauser  
Title: Vice President

ACKNOWLEDGED AND AGREED:

SYNDAX PHARMACEUTICALS, INC.

By: /s/ Arlene M. Morris  
Name: Arlene M. Morris  
Title: President and CEO

Date: 10/4/2014

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## CLINICAL TRIAL AGREEMENT

This Clinical Trial Agreement (“Agreement”) is entered into as of March 14, 2014 (“Effective Date”) by and between EASTERN COOPERATIVE ONCOLOGY GROUP, an organization with its executive office at 1818 Market St., Suite 1100, Philadelphia, PA 19103-3602, and its principal place of business at ECOG Coordinating Center, Frontier Science, 900 Commonwealth Avenue, Boston, MA 02215 (“Group”) and Syndax Pharmaceuticals, Inc., a Delaware corporation, with its principal office and place of business located at 400 Totten Pond Road, Suite 140, Waltham, Massachusetts 02451 (“Company”).

## WITNESSETH

WHEREAS, the Group and the Company acknowledge and affirm that they are familiar with and understand the U.S. Department of Health and Human Services and U.S. Food and Drug Administration (“FDA”) regulations governing cooperative group clinical trials and that they are capable of conforming with such regulations;

WHEREAS, the clinical trial contemplated by this Agreement is of mutual interest and benefit to the Group and to the Company, and will further the Group’s instructional and research objectives in a manner consistent with its status as a research group;

WHEREAS, the Group and the Company have agreed to enter into this Agreement to set forth the terms pursuant to which the clinical trial shall be performed by the Group and supported in part by the Company;

NOW THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

### 1. CONDUCT OF STUDY

**A. The Activities.** The Group and the Company shall perform the activities in accordance with the Scope of Work, Exhibit A, for the clinical trial E2112 (EA1122) “A Randomized Phase III Trial of Endocrine Therapy plus Entinostat/Placebo in Post-menopausal Patients with Hormone Receptor-Positive Advanced Breast Cancer” (the “Study”). The principal investigator (the “Principal Investigator”) for the Group is Robert L. Comis, M.D., assisted by Roisin Connolly, MB, BCh., the study chair (“Study Chair”) for the Protocol. The Group shall use reasonable efforts to carry out the Study as set forth in the current clinical trial protocol for the Study (the “Protocol”) and in accordance with this Agreement.

**B. IRB.** The Group will ensure that the Study begins only after the Group has obtained approval from Institutional Review Board for the Study (the “IRB”).

**C. Study Drug.** Company agrees that it will provide Group (indirectly through NCI) with the quantities of the Company’s investigational drug product entinostat and placebo (the “Study Drug”) required to conduct the Study in accordance with the Protocol, at no charge. Group shall use, and will ensure that Study Personnel (as defined in Section 4.D)

use, the Study Drug solely for purposes of the Study in accordance with the Protocol. In handling, storing and using Study Drug, Group members will comply with all applicable laws and any written instructions provided by Company (or by NCI on behalf of Company). All Study Drug supplied to Group members will remain the exclusive property of Company until administered or dispensed to any of the patients involved in the Study ("Study Subjects") during the course of the Study. Group members will keep the Study Drug in a safe and secure location and maintain complete and accurate records showing disposition of the Study Drug. Group members will not provide access to Study Drug to anyone except Study Personnel. Group will not chemically, physically or otherwise modify Study Drug.

**D. Data Protection; Informed Consent.** As applicable, the parties agree to abide by all laws and regulations regarding Study subject privacy and data protection, including without limitation the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). The Group shall be responsible for ensuring that each Study subject, prior to participation in the Study, signs an informed consent in a form approved by the IRB. Such informed consent shall include a valid authorization, consistent with HIPAA and all other applicable laws.

**E. Sponsor.** The NCI will be the "Sponsor" of the Study as such term is defined in FDA regulations, including 21 C.F.R. Parts 312 and 50, and the NCI shall be solely responsible for any and all regulatory obligations associated with such role.

**F. Payment.** The Company will provide financial support to the Group in the amount of \$19,406,948 in accordance with the payment schedule and budget set forth in Exhibit B herein. The Company and the Group may, by mutual written agreement, alter the amount or timing of such payments as they deem necessary under the circumstances. Checks shall be made payable to "ECOG Research and Education Foundation, Inc., agent for Eastern Cooperative Oncology Group." The Tax Identification number is \*\*\*. Checks will reference this Agreement and will be transmitted to ECOG Research and Education Foundation, Inc., Attn: Donna Marinucci, 1818 Market St., Suite 1100, Philadelphia, PA 19103.

## **2. CONFIDENTIAL INFORMATION**

**A. Confidentiality.** Except as otherwise provided in Sections 3 and 4, each party agrees not to disclose or to use for any purpose other than the performance of the Study any and all trade secrets, privileged records or other confidential or proprietary information, data or materials of the other party ("Proprietary Information") disclosed by one party or its employees, contractors or agents ("Discloser") to the other party or its employees, contractors or agents ("Recipient") pursuant to this Agreement.

The obligation of non-disclosure and non-use shall not apply to the following:

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- (i) Proprietary Information at or after such time that it is or becomes publicly available for any reason other than a breach of Recipient's undertaking hereunder;
- (ii) Proprietary Information that is already independently known to Recipient prior to the date of disclosure of such Proprietary Information to Recipient as evidenced by Recipient's written records;
- (iii) Proprietary Information that is disclosed to Recipient on a non-confidential basis by a third party that Recipient reasonably believes has the legal right to make such disclosure; or
- (iv) Proprietary Information that is required by law or court order to be disclosed; provided that Recipient: (a) gives Discloser prompt notice of such fact so that Discloser may obtain a protective order or other appropriate remedy concerning any such disclosure; (b) fully cooperates with Discloser (at Discloser's sole expense) in connection with Discloser's efforts to obtain any such order or other remedy; and (c) discloses, when disclosure is necessary, only the minimum information legally required to be disclosed in order to comply, whether or not a protective order or other similar order is obtained by Discloser.

**B. Terms of Non-Disclosure.** The obligations of this Section shall survive and continue for \*\*\* years after termination of this Agreement.

**C. Identity of Study Subjects.** In the event the Company or its employees, contractors or agents shall come into contact with records identifying in any manner any of the patients involved in the Study ("Study Subjects"), the Company shall hold such identifying information in confidence, agrees not to use or disclose such information and shall immediately delete the identifying information.

**D. Limited Disclosure.** In the event that either party finds it necessary to disclose Proprietary Information of the other party to a proper authority to permit such party to defend itself, such party shall first notify the other party and the parties shall agree to a mutually satisfactory way to disclose such information as necessary for this limited purpose.

### 3. PUBLICATIONS/PRESENTATIONS

**A. Disclosure of Data.** Data generated by the Study ("Data") is the sole property of the Group and shall be considered as Group Proprietary Information.

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**B. Publication of Study Results.** The Company recognizes that under the Group policy, the results of the Study must be published and agrees that researchers engaged in the Study reserve the right, and are entitled, to present and publish Data at symposia, national or regional professional meetings, and to publish in a journal or otherwise, of their own choosing, methods and results of the Study undertaken under the Agreement, subject to the requirements of this Section 3.

**C. Prior Submissions to the Company.** In order to allow the Company to confirm the accuracy of background information, to protect any patent opportunities, and to review for disclosure of Company Proprietary Information, the Group undertakes to advise its researchers engaged in the Study that manuscripts and abstracts using Data should be submitted through the Group to the Company as follows:

- (1) for manuscripts, no less than \*\*\* days prior to submission of a manuscript for publication, and
- (2) for abstracts routinely submitted in advance of a meeting or conference, whether or not made available in print or electronically in advance of a meeting, a reasonably complete draft of it no less than \*\*\* days before the meeting submission deadline, and
- (3) for abstracts of late-breaking trial results or otherwise submitted to a meeting or conference after the routine deadline, as soon as practicable and in no event less than \*\*\* days before its anticipated presentation.

The Group shall use reasonable, diligent efforts to ensure that such researchers comply with the foregoing submission requirements. At Company's written request, the Group will delete any of the Company's Proprietary Information included in the presentation or publication. With respect to a manuscript, in the event that the Company elects to take patent action, the Group agrees to delay submission for an additional \*\*\* days. In such event with respect to an abstract, the Group and the Company will in good faith attempt to reach an equitable solution to the Company's concern. Additionally, the Group agrees to work in good faith with the Company to ensure that the timing of any presentation or publication does not comprise any then-pending regulatory approval of a product containing the Study Drug. For the purpose of compliance with this Section 3, a draft manuscript or abstract may be submitted to the Company provided that the Company receives a final manuscript as soon as practicable thereafter.

#### **4. DATA AND OTHER RIGHTS**

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**A. No Group Rights in Study Drug.** Neither the Group nor any Member of the Group nor any Principal Investigator shall acquire any rights of any kind in the Study Drug as a result of participation in the Study.

**B. Data.** The Company acknowledges and agrees that all Data shall be owned exclusively by the Group, subject to Company's rights as provided below. NCI will furnish data to Company required pursuant to the Collaborative Agreement between Company and the NCI Division of Cancer Treatment and Diagnosis for the Study Drug. Additionally, the Group will provide Company with the Data-related deliverables set forth in Exhibit A. The timing of the Group's delivery of such deliverables to Company shall be governed by a separate data transfer plan (the "Data Transfer Plan") that will be separately negotiated by Company and the Group in good faith following the Effective Date, taking into account the deadlines and other requirements imposed on the Company in connection with the regulatory approval process for the Study Drug. The parties agree that the Data Transfer Plan must be completed and executed by the parties on or before \*\*\*. The Group will be reasonably compensated for costs associated with satisfying any request that Data be provided in a format that is different than the format used by the Group. The Group hereby grants Company and its affiliates a fully paid-up, royalty-free, non-exclusive, perpetual, irrevocable, worldwide license to use the Data for any purpose permitted by applicable law, rule or regulation, including submission to FDA in support of regulatory applications. This license will be sublicensable and freely transferable by Company and its affiliates. The foregoing is not intended to grant any rights in inventions, which are addressed in Section 4.D below. The Group shall ensure that all Members and Member Institutions (as defined below) participating in the Study provide Company with access to, and the right to use, Data in accordance with this Section. Consistent with the National Cancer Institute ("NCI") Policy Statement entitled "NCI – Cooperative Group – Industry Relationship Guidelines" (<http://ctep.cancer.gov/industryCollaborations2/guidelines.htm>), Data deliverables set forth in Exhibit A shall be provided by the Group to the Company, NCI, and/or FDA, as appropriate.

**C. Study Records.** In the event the Company believes in good faith that the Group has materially failed to comply with applicable laws, or in the event required by regulatory authorities, or to defend any claim or action against the Company, Study records (other than those to be provided in accordance with the Agreement) shall be made reasonably available to the Company for inspection during normal business hours; provided however, that (1) the records may be located at individual Member Institutions; (2) access to the records will be subject to the respective operating procedures of the individual institutions; and (3) the Company may be required to reimburse the Group and/or Member Institutions for reasonable time cost and expense (which may include without limitation, staffing and internal costs and expense) necessary to provide such access.

**D.** For purposes of this Agreement, the terms "Member Institution" and "Member" shall be defined to include institutions and individual researchers who are main or affiliate members of the Group, and member institutions and individual researchers of

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other cooperative groups through the NCI Cancer Trials Support Unit (CTSUS). The Company acknowledges and agrees that Member Institutions and Members participating in the Study are third-party beneficiaries to this Agreement, and, as such, are entitled to all of the rights and obligations accruing to such party hereunder and thereunder. For purposes of this Agreement, "Study Personnel" shall mean the Principal Investigator, the Study Chair, and such other employees, staff, agents, affiliates and permitted subcontractors of Group and each Member Institution, in each case that are participating in the conduct of the Study.

E. For purposes of this Section 4, "Company" shall be defined as including any corporation or other business entity controlled by, controlling, or under common control with the Company. For this purpose, "control" means (i) direct or indirect beneficial ownership of fifty percent (50%) or more of the voting control, or (ii) the power to direct or cause the direction of the management and policies of such corporation or other business entity.

F. Company will keep the Group reasonably informed of Company's plans for submission of any clinical study report that includes or refers to any Data that it intends to submit to the FDA or other regulatory authority, and will provide a minimum of \*\*\* days notice to Group prior to sending the initial draft of any such clinical study report. Group shall be afforded the right to conduct a complete, accurate, and timely review and provide comments on any clinical study report that Company prepares for submission to the FDA or other regulatory authority that includes or refers to any Data. The Group will provide Company with comments on the initial draft submission no later than \*\*\* calendar days after receiving it. Company will promptly provide the Group with any subsequent draft submission versions through the final submission for review, and the Group will provide comments on revised draft submissions through the final submission within \*\*\* calendar days of receipt. The Company will use best efforts to address the Group's comments. Company shall ensure that there is sufficient time to ensure submissions to the FDA or other regulatory authority and to address the Group's comments. Within \*\*\* business days of the Group's comments to each submission, at the request of either party, the parties agree to meet in person or by conference call to discuss in good faith Group's comments and the course of action to be taken by Company concerning Group's comments. The parties agree to provide promptly any correspondence received from the FDA through NCI as IND holder. Notwithstanding this Section 4.F, Group shall have the right, at any time after Group receives an analysis from Company, to submit an analysis of the same data or other material independently to the FDA (including but not limited to a separate analysis of the submissions referenced therein,) after giving \*\*\* calendar days notice.

G. **Inventions.** The Group shall own all of its inventions resulting from its performance of the Study. "Study Drug Invention" shall mean any discovery or invention conceived or reduced to practice by the Group that is derived from the Study Drug as a result of using the Study Drug during the Study, including, but not limited to, new uses, processes, derivatives, formulations or therapeutic combinations of the Study Drug. The Group shall promptly notify the Company in writing of any Study Drug Inventions made by the Group solely

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in connection with the Study and hereby grants the Company a royalty-free, fully paid-up, non-exclusive license in such Study Drug Inventions (which may be sublicensed by Company provided that such sublicense(s) are granted in conjunction with licenses to Company's other rights in the Study Drug). The Group also grants the Company a first right to negotiate an exclusive, worldwide license, with the right to sublicense, in any and all Study Drug Inventions. Any first option must be exercised by the Company within \*\*\* after receiving notice of any Study Drug Inventions and, upon the exercise of such option by the Company, the exclusive license agreement for any Study Drug Inventions must be completed by the parties within \*\*\* (which period may be extended by mutual agreement of the parties). The Group shall retain a non-exclusive license to any Study Drug Invention solely for non-commercial research, education and patient care purposes. The Group shall ensure that all Members and Member Institutions participating in the Study provide Company with invention rights that are substantially similar to those set forth in this Section.

## 5. USE OF THE GROUP'S OR THE COMPANY'S NAME

**A. Use of Names.** The Group, on one hand, and the Company, on the other hand, will obtain prior written permission from the other before using the name, symbols and/or marks of the other or its employees, agents or contractors in any form of publicity in connection with the Study, which permission shall not be unreasonably withheld, and provided that this Section 5.A shall not apply to use by the Group of any name of the Study Drug, whether or not trademarked by the Company, in connection with Study materials, provided that such use is otherwise in accordance with applicable laws and regulations. To the extent either party permits such use of its name, symbols and/or marks by the other party, such permitted use shall not be deemed to grant any license or other right in any such name, symbol or mark unless expressly so provided as a provision of a written agreement signed by both parties. The obligations of this Section shall not apply to (i) legally required disclosures by the Group or the Company ; (ii) a statement by either the Company or the Group indicating the existence of this Agreement and/or either party's involvement in the Study; and (iii) the publication of information that is already publicly available.

**B. No Endorsement.** The Company will not use, nor authorize others to use, the name, symbols, or marks of the Group, of any Member Institution or of any Member or their respective employees, agents or contractors in any advertising or publicity material or make any form of representation or statement in relation to the Study which would constitute an express or implied endorsement by the Group, any Member Institution or any Member of any commercial product or service without prior written approval from the Group, the Member Institution or the Member.

**C. Clinical Trial Registry.** The parties shall cooperate as necessary with the National Cancer Institute to have the Study registered with the ClinicalTrials.gov website of the U.S. National Institutes of Health (or any successor thereto) before enrollment of patients for such Study.

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## 6. APPLICABLE LAW

This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

## 7. INDEMNIFICATION

**A. Company's Indemnification.** The Company shall defend, indemnify and hold harmless the Group, Member Institutions and Members and each of their respective agents, employees, contractors, directors and officers and their respective successors, assigns, personal representatives and heirs (collectively, the "Group Indemnitees") from any and all liabilities, expenses (including reasonable attorney fees), or fines or other levies from governmental or regulatory agencies (collectively, "Indemnifiable Losses") incurred by an Group Indemnitee in connection with a claim, action or suit by a third party (including but not limited to those arising from personal injury or death), to the extent arising from or relating to (1) any manufacturing defect in or instructions for use of, the Study Drug provided by Company; (2) any negligent or willful act or omission by a Company Indemnitee in the performance of Company's obligations hereunder or under the Study; or (3) the use of the Data or the sale or commercialization of the Study Drug by Company or its licensees; provided, however, but in each case only if the Group promptly notifies the Company in writing of any complaint, claim or injury that could give rise to an Indemnifiable Loss after the Group has actual knowledge of any such complaint, claim or injury.

**B. Group's Liability.** The Group shall be responsible and liable for any claim to the extent arising from or relating to any negligent or willful act or omission by the Group in the performance of Group's obligations hereunder or under the Study.

**C. Defense of Indemnifiable Losses.** The Company shall provide diligent defense against any claims brought or actions filed with respect to the subject of the indemnity contained herein, whether such claims or actions are rightfully or wrongfully brought or filed. The Company shall have the right to select defense counsel at its own expense, subject to the approval of the Group, which approval will not unreasonably be withheld, and to direct the defense or settlement of any such claim or suit. The Company upon reasonable prior notice to the Group and any other Group Indemnitees and their respective counsel shall have the right to settle claims at the Company's sole expense, but only after consultation with the Group and such Group Indemnitees, provided, however, that no settlement shall contain an admission of liability or negligence of any Group Indemnitees without the prior written consent of such Group Indemnitees, which consent shall not be unreasonably withheld or delayed.

**D. Cooperation.** The Group Indemnitees shall reasonably cooperate with the Company and its legal representatives in the investigation and defense of any claim or suit covered under this Agreement. In the event a claim or action is or may be asserted, the Group Indemnitees shall have the right to select and to obtain representation by separate legal counsel. If any Group Indemnitees exercise such right, all costs and expenses incurred by such

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Group Indemnitees for such separate counsel shall be borne by such Group Indemnitees, except that if such selection of separate legal counsel is based on a written opinion of counsel to any such Group Indemnitee that such separate legal counsel is required because of actual or potential conflict of interest, the indemnity of this Section 7 shall apply also to the reasonable fees and expenses of such separate legal counsel. The Company and its counsel shall cooperate with such separate counsel in any investigation, defense or settlement for the purpose of informing and sharing information to enable such separate counsel full participation in any investigation, defense or settlement.

**E. Exceptions to Indemnity.** Any liability, loss or damage to the extent resulting from gross negligence or willful malfeasance by an Indemnitee is excluded from the undertakings in this Section 7 to indemnify, defend and hold harmless such Indemnitee. Deviations from the terms of the Protocol that may arise out of clinical or medical necessity do not constitute gross negligence or willful malfeasance.

**F. Limitation.** IT IS UNDERSTOOD THAT NEITHER PARTY SHALL BE RESPONSIBLE FOR THE ACTS OR OMISSIONS OF THE OTHER PARTY. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY BEFORE OR AFTER TERMINATION OF THIS AGREEMENT UNDER ANY CONTRACT, STRICT LIABILITY, NEGLIGENCE OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING FROM THE PERFORMANCE OF THIS AGREEMENT OR THE STUDY HEREUNDER.

**G. Reimbursement of Medical Expenses.** The Company shall reimburse the Group for the reasonable and necessary medical expenses incurred by a Study Subject or Member Institution for the diagnosis and treatment of any personal injury relating to (a) the administration of the Study Drug substantially in accordance with this Agreement, the Protocol, and any other written instructions of the Company or (b) the performance of any test or procedure that is required by such Protocol to which the Study Subject would not have been exposed but for the Study Subject's participation in the Study. Notwithstanding the foregoing, the Company shall not be responsible for any portion of such medical expenses that are attributable to the Group's breach, negligence or willful misconduct.

## **8. TERMINATION**

**A. Unilateral Termination.** This Agreement may be terminated by the Company or the Group, which termination shall be effective no earlier than \*\*\* days following receipt of written notice by the non-terminating party, if any of the following conditions shall occur:

- (i) the authorization and approval to perform the Study in the United States is withdrawn by the NCI or FDA; or

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- (ii) the non-terminating party materially breaches the terms of this Agreement and (1) such breach if a monetary breach continues in excess of \*\*\* days following notice from the party seeking termination, or (2) such breach if a non-monetary breach continues in excess of \*\*\* days following notice from the party seeking termination provided, however, that the non-terminating party shall have a period in excess of \*\*\* days to cure any non-monetary breach that cannot reasonably be cured within \*\*\* days, if the cure is commenced within such \*\*\* day period and with good faith and diligence is prosecuted to completion.

**B. Joint Termination.** The Agreement may be terminated by the joint written agreement of the Company and the Group if any of the following conditions shall occur:

- (i) if animal or human safety data and/or toxicological test results, in the reasonable opinion of the Company and the Group, support termination of the Study; or
- (ii) if the emergence of any adverse reaction or side effect with the Study Drug administered or the device employed in the Study is of such a magnitude or incidence in the reasonable opinion of the Company and the Group to support termination.

**C. Effect of Termination.** As soon as reasonably possible following the effective date of the termination of the Study, the Group shall stop entering Study Subjects into the Study and shall cease conducting procedures on Study Subjects already entered into the Protocol, to the extent medically and ethically permissible. In the event of a termination under Section 8.A(ii), the Group shall, in its sole discretion, decide whether to stop entering Study Subjects into the Study; provided, however, that the Company agrees to continue supplying Study Drug as provided in the Agreement after such a termination if the Group determines that such a requirement is reasonable under the circumstances of the termination, and that no such decision to continue the Study shall impose on the Company any obligation to perform services after the effective date of said termination or to make payment for any such post-termination service(s) performed by the Group or others, except to the extent the Company has agreed to be responsible for the cost of distributing its Study Drug.

**D. Reimbursement of Expenses.** Unless the Agreement provides otherwise, including without limitation a per-patient-enrolled payment rate (in which event the Company shall be obligated to make full payment at the applicable rate, for all patients enrolled prior to the effective termination date), following any termination under this Section 8, there shall be an accounting conducted by the Group to confirm the amount of payment to Group owed by the Company under the Agreement. This accounting shall be subject to verification and confirmation by the Company, which amount shall be calculated as the sum of:

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- (i) A pro-rated amount of the payments set forth on Exhibit B, based on services rendered in the manner consistent with the Agreement, the Protocol and all monies properly expended therefor; and
- (ii) Reasonable non-cancelable obligations incurred for the Study by the Group prior to the effective date of the termination, including but not limited to those items set forth in the Agreement, which items the Company agrees are reasonable and will be paid, provided, however, that the Company's obligation hereunder (i.e. (i) and (ii) together) shall not exceed the total financial commitment of this Agreement.

This accounting shall be subject to verification and confirmation by the Company which shall not be unreasonably withheld. Within \*\*\* days after receipt of supporting documentation therefor, the Company will make payment to the Group for any amounts owed that have not been paid (or, conversely, the Group will refund any amounts paid but not owed).

**E. Obligations Continuing Following Termination.** Termination of this Agreement under this Section 8 shall not affect the rights and obligations of the parties accrued prior to the effective date of the termination. The rights and duties under Sections 2, 3, 4, 5, 6, 7, 8.C., 8.D., 8.E., 9, 10, 11, 18, and 22 survive the termination or expiration of this Agreement.

## 9. NOTICES

All notices, requests, demands and other communications that this Agreement requires or permits any party to give any other party shall be in writing and shall be given to such party at both of its addresses and/or facsimile numbers specified below:

If to Company:	Bob Goodenow Syndax Pharmaceuticals, Inc. 400 Totten Pond Road, Suite 140 Waltham, MA 02451 Fax: (781) 419-1420
If to Group:	Robert L. Comis, M.D. ECOG Group Chair's Office 1818 Market Street, Suite 1100 Philadelphia, PA 19103-3602 Fax: (267) 256-5291

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**With copies to:**

Donna Marinucci  
ECOG Group Chair's Office  
1818 Market Street, Suite 1100  
Philadelphia, PA 19103-3602  
Fax: (267) 256-5291

Mary Steele  
ECOG Coordinating Center Frontier Science  
900 Commonwealth Avenue  
Boston, MA 02215  
Fax: (617) 632-5414

or at such other address or facsimile number as shall be designated by such party in a notice to the other party complying with the terms of this Section. All notices, requests, demands and other communications provided for hereunder shall be effective (A) if given by mail on the third business day following deposit in the mails, with first class postage prepaid, addressed as aforesaid, (B) if given by facsimile, when transmitted to the aforesaid facsimile number or (C) if given by personal delivery, including overnight delivery service, when delivered at the aforesaid address.

**10. ENTIRE AGREEMENT**

This Agreement together with the Protocol represents the entire understanding of the parties with respect to the subject matter hereof. In the event of any inconsistency between this Agreement and the Protocol, (A) the Protocol shall control with respect to any clinical matters and (B) this Agreement shall control in all other respects.

**11. SEVERABILITY**

The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other term or provision hereof.

**12. INTEGRATION**

The Protocol is incorporated into this Agreement by reference.

**13. ASSIGNMENT**

Neither party hereto may assign, transfer or delegate any of its rights or obligations under this Agreement without the written consent of the other party, which consent may not be unreasonably withheld; provided, however, without such consent either party may assign this

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Agreement in connection with the transfer or sale of all or substantially all of its assets or business or its merger or consolidation with another company. Either party may assign this Agreement in whole or in part to any affiliate without consent of the other party.

This Agreement shall inure to the benefit of and be binding upon each party signatory hereto, its successors and permitted assigns. No assignment shall relieve either party of the performance of any accrued obligation which such party may then have under this Agreement.

#### **14. INDEPENDENT CONTRACTOR**

In the performances of all services hereunder, the Group shall be deemed to be and shall be an independent contractor and, as such, shall not be entitled to any benefits applicable to employees of the Company. Neither party is authorized or empowered to act as agent for any purpose and shall not on behalf of the other enter into any contract, warranty or representation as to any matter. Neither party shall be bound by the acts or conduct of the other.

#### **15. NO TRANSFER OF PROPRIETARY RIGHTS NOT SPECIFIED**

It is agreed that neither the Company nor the Group transfers to the other by operation of this Agreement any patent right, copyright right, or other proprietary right of either party, except as specifically set forth in this Agreement.

#### **16. CHANGES TO THE PROTOCOL**

The Group shall not modify the Protocol or make any addendum to the Protocol unless such modification or addendum is approved in advance by the NCI and the IRB; provided that administrative changes to the Protocol shall not require such approval. The NCI will provide notification to Company of changes to the Protocol pursuant to its CRADA, and input from the Company will be received in response to notices received from NCI. If at a future date changes in a Protocol appears desirable to the Group (a "Group Change") and increase the costs for the Study and the Group wishes the Company to provide additional funding for the Study, the Group will submit to the Company for consideration the proposed Protocol amendment and a written estimate of all increased costs arising from the Group Change. Such additional funding shall be provided as agreed to by the Group and the Company. If such changes have not been requested by the Group (a "Company Change"), and increase the costs for the Study, the Group will submit to the Company a written estimate of all increased costs arising from the Company Change, and the Company shall pay such reasonable additional costs as required by the Group. All changes in the Protocol will be implemented immediately following NCI and IRB approval.

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**17. CONFORMANCE WITH LAW AND ACCEPTED PRACTICE**

A. The Group shall perform the Study in substantial conformance with generally accepted standards of good clinical practice, with the Protocol, and with all applicable local, state and federal laws and regulations governing the performance of clinical investigations including but not limited to the Federal Food, Drug and Cosmetic Act and regulations of the FDA applicable to cooperative group clinical trials.

B. The Group agrees to retain all records resulting from the Study for the time required by applicable federal regulations (for the Study, the Company will notify the Group of the FDA Application filing and approval status).

**18. WAIVER**

No waiver of any term, provision or condition of this Agreement whether by conduct or otherwise in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such term, provision or condition, or of any other term, provision or condition of this Agreement.

**19. FORCE MAJEURE**

The Group or the Company shall not be liable for any failure to perform as required by this Agreement, to the extent such failure to perform is due to circumstances reasonably beyond either party's control, such as labor disturbances or labor disputes of any kind, accidents, failure of any governmental approval required for full performance, civil disorders or commotions, acts of aggression, acts of God, explosions, failure of utilities, mechanical breakdowns, material shortages, disease, or other such occurrences.

**20. DEBARMENT AND DISQUALIFICATION**

A. Neither the Group nor any person employed thereby directly in the performance of the Study has been debarred under Section 306(a) or (b) of the Federal Food, Drug and Cosmetic Act and no debarred person will in the future be employed by the Group in connection with any work to be performed for or on behalf of the Company which may later become part of any application for approval of a drug or biologic by the FDA. If at any time after execution of this Agreement, the Group becomes aware that the Group or any person employed thereby is, or is in the process of being, debarred, the Group hereby certifies that the Group will properly notify the Company at once.

B. To the Group's reasonable knowledge, neither the investigator nor any sub-investigator of the Study shall be currently the subject of a disqualification proceeding or have been disqualified by FDA as a clinical investigator pursuant to 21 CFR sec. 312.70, and neither an investigator nor any sub-investigator of the Study shall have entered into an agreement with FDA that in any way restricts their ability to serve as clinical investigators. The

**\*\*\* INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

Group shall notify the Company immediately upon its knowledge of any inquiry concerning, or the commencement of any such proceeding concerning, an investigator or any sub-investigator.

**21. AMENDMENTS**

This Agreement may be extended, renewed or otherwise amended at any time only by the mutual written consent of parties hereto.

**22. COUNTERPARTS**

This Agreement may be executed in one or more counterparts, each of which for all purposes shall be deemed to be an original, and all of which when taken together shall constitute but one and the same instrument.

**(signature pages follows)**

**\*\*\* INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, as of the Effective Date, by proper persons thereunto duly authorized.

SYNDAX PHARMACEUTICALS, INC

EASTERN COOPERATIVE ONCOLOGY GROUP

By: /s/ Robert Goodenow  
(signature)

By: /s/ Robert L. Comis  
Robert L. Comis, M.D.  
Chair

Name: Robert Goodenow

**\*\*\* INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

**EXHIBIT A**

**E2112 Scope of Work**

**Protocol Title:** A Randomized Phase III Trial of Endocrine Therapy plus Entinostat/Placebo in Post-menopausal Patients with Hormone Receptor-Positive Advanced Breast Cancer

**Company:** Syndax Pharmaceuticals, Inc.

\*\*\*

**\*\*\* INDICATES EIGHT PAGES OF MATERIAL THAT WERE OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

EXHIBIT B

E2112 Budget & Payment Schedule

A. Budget Details

1. Budget

The budget for this project is \$19,406,948 which is itemized as follows:

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2. Invoicing and Payments

Company will make payments within \*\*\* of receipt of invoices from Group according to the Payment Schedule herein. Payments will be made to as set forth in Section 1.B of the Agreement as follows:

ECOG Research and Education Foundation, Inc.  
Agent for ECOG Cooperative Oncology Group  
Attn: Donna Marinucci  
1818 Market Street, Suite 1100  
Philadelphia, PA 19103

Group will send invoices to the following address:

Jeannette Hasapidis  
VP, Clinical Operations

**\*\*\* INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

Syndax Pharmaceuticals, Inc.  
400 Totten Pond Road, Suite 110  
Waltham, MA 02451

**B. Payment Schedule**

Group will submit invoices to Company in accordance with the following Payment Schedule:

\*\*\*

**\*\*\* INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

\*\*\* INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

**AMENDMENT NO. 1 TO  
CLINICAL TRIAL AGREEMENT  
BETWEEN  
ECOG-ACRIN CANCER RESEARCH GROUP  
AND SYNDAX PHARMACEUTICALS, INC.**

This Amendment No. 1 to Clinical Trial Agreement (the "Amendment" or "Amendment 1") is entered into as of January 30, 2015 (the "Effective Date") by and between ECOG-ACRIN Cancer Research Group, successor entity to the Eastern Cooperative Oncology Group, on behalf of itself and its member hospitals, institutions and physicians (the "Group," "ECOG" or "ECOG-ACRIN"), and Syndax Pharmaceuticals, Inc. ("Company" or "Syndax").

WITNESSETH:

WHEREAS, pursuant to the Clinical Trial Agreement dated March 14, 2014 between the parties ("Agreement"), the parties agreed to certain terms specified therein for research services related to Group's performance of the Study; and

WHEREAS, the parties agree to increase the support for the Study as set forth herein and commensurate with the effort of enrolling sites in fulfilling duties outlined in the Protocol.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

- A. The following is added to the Agreement as "Section 1.G" of the Agreement:
  - G. Amendment #1 Payments.** The Company will provide additional financial support to the Group in the amount of \$1,200,000 to support the efforts of enrolling sites in fulfilling the duties set forth in the Protocol. The maximum financial support for the Agreement is hereby accordingly increased from \$19,406,948 by \$1,200,000 to \$20,606,948.
- B. Exhibit B of the Agreement is hereby be deleted in its entirety and replaced by Exhibit B attached hereto.
- C. This Amendment constitutes the full understanding of the parties and a complete and exclusive statement of the terms of their agreement with respect to the subject matter described herein, and no terms, conditions, understanding, or agreement purporting to modify or vary the terms of this Amendment shall be binding unless made in writing and signed by the parties.
- D. Except to the extent amended herein, all of the terms and conditions of the Agreement remain in full force and effect.
- E. Capitalized terms herein that are not defined shall have the meaning ascribed to such terms in the Agreement.
- F. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall be considered one and the same instrument.



IN WITNESS WHEREOF, the parties hereto have executed this Amendment, as of the Effective Date, by proper persons duly authorized.

ECOG-ACRIN Cancer Research Group

Syndax Pharmaceuticals, Inc.

/s/ Robert L. Comis

/s/ Bob Goodenow

Name: Robert L. Comis, M.D

Name: Bob Goodenow

Title: Group Co-Chair

Title: Chief Business Officer

**\*\*\* INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

EXHIBIT B

E2112 Budget & Payment Schedule

A. Budget Details

1. Budget — Excluding Amendment 1

The budget for this project is \$19,406,948 which is itemized as follows:

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2. Budget — Amendment 1

The budget for Amendment 1 is \$1,200,000 which is itemized as follows:

\*\*\*  
\*\*\*

3. Invoicing and Payments

Company will make payments within \*\*\* of receipt of invoices from Group according to the Payment Schedule herein. Payments will be made to as set forth in Section 1.B of the Agreement as follows:

ECOG Research and Education Foundation, Inc.  
Agent for ECOG-ACRIN Cancer Research Group  
Attn: Donna Marinucci  
1818 Market Street, Suite 1100  
Philadelphia, PA 19103

**\*\*\* INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

Group will send invoices to the following address:

Jeannette Hasapidis  
VP, Clinical Operations  
Syndax Pharmaceuticals, Inc.  
400 Totten Pond Road, Suite 110  
Waltham, MA 02451

**B. Payment Schedule — Excluding Amendment 1**

Group will submit invoices to Company in accordance with the following Payment Schedule:

\*\*\*

**C. Payment Schedule — Amendment 1**

Group will submit invoices to Company in accordance with the following Payment Schedule:

\*\*\*

**\*\*\* INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

## SOLAR CAPITAL

## LOAN AND SECURITY AGREEMENT

**THIS LOAN AND SECURITY AGREEMENT** (as the same may be amended, restated, modified, or supplemented from time to time, this “**Agreement**”) dated as of June 13, 2014 (the “**Effective Date**”) among Solar Capital Ltd., a Maryland corporation with an office located at 500 Park Avenue, 3rd Floor, New York, NY 10022 (“**SolarCap**”), as collateral agent (in such capacity, “**Collateral Agent**”), and the Lenders listed on Schedule 1.1 hereof or otherwise a party hereto from time to time including SolarCap in its capacity as a Lender (each a “**Lender**” and collectively, the “**Lenders**”), and SYNDAX PHARMACEUTICALS, INC., a Delaware corporation with offices located at 400 Totten Pond Road, Suite 110, Waltham, MA 02451 (“**Borrower**”), provides the terms on which the Lenders shall lend to Borrower and Borrower shall repay the Lenders. The parties agree as follows:

**1. DEFINITIONS AND OTHER TERMS**

**1.1 Terms.** Capitalized terms used herein shall have the meanings set forth in Section 1.3 to the extent defined therein. All other capitalized terms used but not defined herein shall have the meaning given to such terms in the Code. Any accounting term used but not defined herein shall be construed in accordance with GAAP and all calculations shall be made in accordance with GAAP. The term “financial statements” shall include the accompanying notes and schedules.

**1.2 Section References.** Any section, subsection, schedule or exhibit references are to this Agreement unless otherwise specified.

**1.3 Definitions.** The following terms are defined in the Sections or subsections referenced opposite such terms:

“ <b>Agreement</b> ”	Preamble
“ <b>Borrower</b> ”	Preamble
“ <b>Claims</b> ”	Section 12.2
“ <b>Collateral Agent</b> ”	Preamble
“ <b>Collateral Agent Report</b> ”	Exhibit B, Section 5
“ <b>Communication</b> ”	Section 10
“ <b>Default Rate</b> ”	Section 2.3(b)
“ <b>Effective Date</b> ”	Preamble
“ <b>Event of Default</b> ”	Section 8
“ <b>Indemnified Person</b> ”	Section 12.2
“ <b>Lender</b> ” and “ <b>Lenders</b> ”	Preamble
“ <b>New Subsidiary</b> ”	Section 6.10
“ <b>Non-Funding Lender</b> ”	Exhibit B, Section 10(c)(ii)
“ <b>Other Lender</b> ”	Exhibit B, Section 10(c)(ii)
“ <b>Perfection Certificate</b> ” and “ <b>Perfection Certificates</b> ”	Section 5.1
“ <b>SEC</b> ”	Section 6.2(a)(ii)
“ <b>SolarCap</b> ”	Preamble
“ <b>Term A Loan</b> ”	Section 2.2(a)(i)
“ <b>Term B Loan</b> ”	Section 2.2(a)(ii)
“ <b>Termination Date</b> ”	Exhibit B, Section 8
“ <b>Term Loan</b> ”	Section 2.2(a)(ii)
“ <b>Transfer</b> ”	Section 7.1

In addition to the terms defined elsewhere in this Agreement, the following terms have the following meanings:

“**Account**” is any “account” as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to Borrower.

“**Account Debtor**” is any “account debtor” as defined in the Code with such additions to such term as may hereafter be made under the Code.

“**Affiliate**” of any Person is a Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person’s senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person’s managers and members.

“**Amortization Date**” is, (i) with respect to the Term A Loan, July 1, 2015 (provided, however, that Borrower may extend such date to July 1, 2016 if the Term B Loan is advanced by providing notice to the Agent requesting such extension) and (ii) with respect to the Term B Loan, the Amortization Date then in effect for the Term A Loan.

“**Anti-Terrorism Laws**” are any laws relating to terrorism or money laundering, including without limitation Executive Order No. 13224 (effective September 24, 2001), the USA PATRIOT Act, the laws comprising or implementing the Bank Secrecy Act, and the laws administered by OFAC.

“**Bayer License**” is that certain license, development and commercialization agreement between Borrower and Bayer Pharma AG (formerly known as Bayer Schering Pharma AG) dated as of March 26, 2007, as amended, restated, supplemented or modified from time to time.

“**Blocked Person**” is any Person: (a) named a “specially designated national” or “blocked person” on the most current list published by OFAC or other similar list, including those listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (b) owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, or (c) a Person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law.

“**Borrower**” is defined in the preamble hereof.

“**Borrower’s Books**” are Borrower’s or any of its Subsidiaries’ books and records including ledgers, federal, and state tax returns, records regarding Borrower’s or its Subsidiaries’ assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

“**Business Day**” is any day that is not a Saturday, Sunday or a day on which Collateral Agent is closed.

“**Cash Equivalents**” are (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having a rating of at least A-1 from Standard & Poor’s Ratings Group or P-1 from Moody’s Investors Service, Inc., (c) certificates of deposit, time deposit, overnight bank deposit or banker’s acceptance maturing no more than one (1) year after issue provided that the account in which any such certificate of deposit is maintained is subject to a Control Agreement in favor of Collateral Agent, and (d) investments in money market funds, substantially all of whose assets are invested in investments of the type described in clauses (a) through (c) above.

“**Closing Fee**” is a payment due on the Effective Date equal to One Hundred Forty Two Thousand Five Hundred Dollars (\$142,500.00), payable to Lenders in accordance with their respective Pro Rata Share.

“Code” is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Collateral Agent’s Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of New York, the term “Code” shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

“Collateral” is any and all properties, rights and assets of Borrower described on Exhibit A.

“Collateral Account” is any Deposit Account, Securities Account, or Commodity Account, or any other bank account maintained by Borrower or any Subsidiary at any time.

“Collateral Agent” is SolarCap, not in its individual capacity, but solely in its capacity as agent on behalf of and for the benefit of the Lenders.

“Commitment Percentage” is set forth in Schedule 1.1, as amended from time to time.

“Commodity Account” is any “commodity account” as defined in the Code with such additions to such term as may hereafter be made under the Code.

“Compliance Certificate” is that certain certificate in substantially the form attached hereto as Exhibit D.

“Contingent Obligation” is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another Person such as an obligation directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but “Contingent Obligation” does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

“Control Agreement” is any control agreement entered into among the depository institution at which Borrower or any of its Subsidiaries maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower or any of its Subsidiaries maintains a Securities Account or a Commodity Account, Borrower and such Subsidiary, and Collateral Agent pursuant to which Collateral Agent, for the benefit of the Lenders, obtains “control” (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

“Copyrights” are any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

“Deposit Account” is any “deposit account” as defined in the Code with such additions to such term as may hereafter be made.

“Designated Deposit Account” is Borrower’s deposit account disclosed on the Perfection Certificate maintained at State Street Bank and Trust Company or such other Designated Deposit Account identified by seven (7) Business Days’ prior written notice by Borrower to Collateral Agent after the Effective Date.

**“Dollars,” “dollars” and “\$”** each mean lawful money of the United States.

**“Equipment”** is all “equipment” as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

**“ERISA”** is the Employee Retirement Income Security Act of 1974, as amended, and its regulations.

**“Excluded Account”** means any (a) deposit accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower’s, or any of its Subsidiaries’, employees and identified to Collateral Agent by Borrower as such or (b) the deposit account with American Express Bank disclosed in the Perfection Certificate on the Effective Date, provided that such account cannot exceed Seventy Five Thousand Dollars (\$75,000) at any time.

**“Exigent Circumstance”** means any event or circumstance that, in the reasonable judgment of Collateral Agent, imminently threatens the ability of Collateral Agent to realize upon all or any material portion of the Collateral, such as, without limitation, fraudulent removal, concealment, or abscondment thereof, destruction or material waste thereof, or failure of Borrower or any of its Subsidiaries after reasonable demand to maintain or reinstate adequate casualty insurance coverage, or which, in the judgment of Collateral Agent, could reasonably be expected to result in a material diminution in value of the Collateral.

**“FDA”** means the U.S. Food and Drug Administration or any successor thereto or any other comparable Governmental Authority.

**“Final Fee”** is a payment (in addition to and not a substitution for the regular monthly payments of principal plus accrued interest) due on the earliest to occur of (a) the Maturity Date, or (b) the acceleration of any Term Loan, or (c) the prepayment of a Term Loan pursuant to Section 2.2(c) or (d), equal to 4% of the Term Loans funded under this Agreement.

**“Foreign Currency”** means lawful money of a country other than the United States.

**“Foreign Subsidiary”** is a Subsidiary that is not an entity organized under the laws of the United States or any territory thereof.

**“Funding Date”** is any date on which a Term Loan is made to or on account of Borrower which shall be a Business Day.

**“GAAP”** is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession in the United States, which are applicable to the circumstances as of the date of determination.

**“General Intangibles”** are all “general intangibles” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work, whether published or unpublished, any patents, trademarks, service marks and, to the extent permitted under applicable law, any applications therefor, whether registered or not, any trade secret rights, including any rights to unpatented inventions, payment intangibles, royalties, contract rights, goodwill, franchise agreements, purchase orders, customer lists, route lists, telephone numbers, domain names, claims, income and other tax refunds, security and other deposits, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

**“Governmental Approval”** is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

**“Governmental Authority”** is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body (including, without limitation, the FDA), court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

**“Guarantor”** is any Person providing a Guaranty in favor of Collateral Agent for the benefit of the Lenders.

**“Guaranty”** is any guarantee of all or any part of the Obligations, as the same may from time to time be amended, restated, modified or otherwise supplemented.

**“Indebtedness”** is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

**“Insolvency Proceeding”** is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions or proceedings seeking reorganization, arrangement, or other relief.

**“Insolvent”** means not Solvent.

**“Intellectual Property”** means all of Borrower’s or any of its Subsidiaries’ right, title and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;

(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;

(c) any and all source code;

(d) any and all design rights which may be available to Borrower or any Subsidiary;

(e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

**“Inventory”** is all “inventory” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made under the Code, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of any Person’s custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

**“Investment”** is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

**“IPO”** means the initial public offering and sale of Borrower’s stock.



**“IPO Condition”** means the consummation of an IPO resulting in the receipt of at least Thirty-Seven Million Dollars (\$37,000,000.00) in net cash proceeds to Borrower on or before September 30, 2014.

**“Key Person”** is Borrower’s Chief Executive Officer, who is Arlene M. Morris as of the Effective Date.

**“Knowledge”** means to the knowledge of the Responsible Officers.

**“Lender”** is any one of the Lenders.

**“Lenders”** are the Persons identified on Schedule 1.1 hereto and each assignee that becomes a party to this Agreement pursuant to Section 12.1.

**“Lenders’ Expenses”** are all reasonable audit fees and expenses, costs, and expenses (including reasonable attorneys’ fees and expenses, as well as appraisal fees, fees incurred on account of lien searches, inspection fees, and filing fees) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred by Collateral Agent and/or the Lenders in connection with the Loan Documents; provided, however that Lenders’ Expenses in connection with the preparation and negotiation of the Loan Documents up to and including the Effective Date shall be payable in accordance with the paragraph with the heading “Transaction Expenses” in the Proposal between SolarCap and Borrower dated May 23, 2014.

**“LIBOR Rate”** means the rate per annum rate published by the Intercontinental Exchange Benchmark Administration Ltd. (the **“Service”**) (or on any successor or substitute page of such Service, or any successor to or substitute for such Service) two (2) Business Days prior to the commencement of the requested interest period, for a term and in an amount comparable to the interest period and the amount of the Term Loan requested by Borrower in accordance with this Agreement, which determination shall be conclusive in the absence of manifest error.

**“Lien”** is a claim, mortgage, deed of trust, levy, charge, pledge, security interest, or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

**“Loan Documents”** are, collectively, this Agreement, the Success Fee Agreement, the Perfection Certificates, each Compliance Certificate, each Loan Payment Request Form, any subordination agreements, any note, or notes or guaranties executed by Borrower or any other Person, and any other present or future agreement entered into by Borrower, any Guarantor or any other Person for the benefit of the Lenders and Collateral Agent in connection with this Agreement; all as amended, restated, or otherwise modified from time to time.

**“Loan Payment Request Form”** is that certain form attached hereto as Exhibit C.

**“London Banking Day”** means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

**“Material Adverse Change”** is (a) a material adverse change in the business, operations or condition (financial or otherwise) of Borrower or any Subsidiary, when taken as a whole; or (b) a material impairment of the prospect of repayment of the Obligations.

**“Material Agreement”** is any of (a) the Bayer License and (b)(i) if Borrower is a publicly reporting entity under the Securities Exchange Act of 1934, any license, agreement or other contractual arrangement required to be disclosed under regulations promulgated under the Securities Act of 1933 or Securities Exchange Act of 1934, as each may be amended, or (ii) if Borrower is not a publicly reporting entity under the Securities Exchange Act of 1934, any license, agreement or other contractual arrangement whereby Borrower or any of its Subsidiaries is reasonably likely to be required to transfer, either in-kind or in cash, prior to the Maturity Date, assets or property valued (book or market) at more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) in the aggregate.

**“Maturity Date”** is, for each Term Loan, the date which is forty eight (48) months after the Effective Date.

**“Non-Use Fee”** is a nonrefundable fee of One Hundred Thousand Dollars (\$100,000.00), payable upon the failure of Borrower to borrow the full amount of the Term A Loan within ten (10) Business Days after the occurrence of the IPO Condition, due and payable on September 30, 2014, provided that no such fee shall be owed if Lenders do not fund the Term A Loan after Borrower meets the conditions precedent for such funding as required hereunder and requests such funding.

**“Obligations”** are all of Borrower’s obligations to pay when due any debts, principal, interest, Lenders’ Expenses, the Prepayment Fee, the Final Fee, the Non-Use Fee, and other amounts Borrower owes the Lenders now or later, in connection with, related to, following, or arising from, out of or under, this Agreement or, the other Loan Documents, or otherwise, and including interest accruing after Insolvency Proceedings begin (whether or not allowed) and debts, liabilities, or obligations of Borrower assigned to the Lenders and/or Collateral Agent, and the performance of Borrower’s duties under the Loan Documents.

**“OFAC”** is the U.S. Department of Treasury Office of Foreign Assets Control.

**“OFAC Lists”** are, collectively, the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) and/or any other list of terrorists or other restricted Persons maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Executive Orders.

**“Operating Documents”** are, for any Person, such Person’s formation documents, as certified by the Secretary of State (or equivalent agency) of such Person’s jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

**“Patents”** means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

**“Payment Date”** is the first (1<sup>st</sup>) calendar day of each calendar month.

**“Permitted Indebtedness”** is:

- (a) Borrower’s Indebtedness to the Lenders and Collateral Agent under this Agreement and the other Loan Documents;
- (b) Indebtedness existing on the Effective Date and disclosed on the Perfection Certificate(s);
- (c) Subordinated Debt;
- (d) unsecured Indebtedness to trade creditors and in connection with credit cards incurred in the ordinary course of business;

(e) Indebtedness consisting of capitalized lease obligations and purchase money Indebtedness, in each case incurred by Borrower or any of its Subsidiaries to finance the acquisition, repair, improvement or construction of fixed or capital assets of such person, provided that (i) the aggregate outstanding principal amount of all such Indebtedness does not exceed Fifty Thousand Dollars (\$50,000.00) at any time and (ii) the principal amount of such Indebtedness does not exceed the lower of the cost or fair market value of the property so acquired or built or of such repairs or improvements financed with such Indebtedness (each measured at the time of such acquisition, repair, improvement or construction is made);

(f) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of Borrower’s business and Indebtedness in respect of netting services, overdraft protections and similar arrangements, in each case, in connection with deposit accounts;

(g) guarantees by the Borrower or any Subsidiary of Indebtedness or other obligations of any Subsidiary and by any Subsidiary of Indebtedness or other obligations of Borrower or any other Subsidiary, provided that the Indebtedness so guaranteed is permitted by this definition of Permitted Indebtedness;

(h) Indebtedness owed to any Person (including obligations in respect of letters of credit for the benefit of such Person) providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance pursuant to reimbursement or indemnification obligations to such Person in respect thereof, in each case incurred in the ordinary course of business;

(i) Indebtedness owed to any person with respect to premiums payable for property, casualty or liability insurance incurred in the ordinary course of business and for amounts not exceeding Five Hundred Thousand Dollars (\$500,000);

(j) Unsecured Indebtedness in an aggregate principal amount not to exceed Fifty Thousand Dollars (\$50,000);

(k) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (j) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose materially more burdensome terms upon Borrower, or its Subsidiary, as the case may be.

**"Permitted Investments" are:**

(a) Investments disclosed on the Perfection Certificate(s) and existing on the Effective Date;

(b) (i) Investments consisting of cash and Cash Equivalents, and (ii) any Investments permitted by Borrower's investment policy, as amended from time to time, provided that such investment policy (and any such amendment thereto) has been approved in writing by Collateral Agent;

(c) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of Borrower or any Subsidiary;

(d) Investments consisting of Deposit Accounts in which Collateral Agent has a perfected security interest;

(e) Investments consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of Borrower or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by Borrower's board of directors; not to exceed Fifty Thousand Dollars (\$50,000.00) in the aggregate for (i) and (ii) in any fiscal year;

(f) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business;

(g) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; provided that this paragraph (h) shall not apply to Investments of Borrower in any Subsidiary;

(h) Investments in any Guarantor or Borrower;

(i) Investments in Subsidiaries that are not a Guarantor or a Borrower, not to exceed Fifty Thousand Dollars (\$50,000.00) per fiscal year;

(j) non-cash Investments in joint ventures or strategic alliances in the ordinary course of Borrower's business consisting of the non-exclusive licensing of technology, the development of technology or the providing of technical support;

(k) Investments accepted in connection with Transfers permitted by Section 7.1; and

(l) other Investments not to exceed Fifty Thousand Dollars (\$50,000).

**"Permitted Licenses"** are (A) licenses of over-the-counter software that is commercially available to the public, (B) non-exclusive licenses for the use of the Intellectual Property of Borrower or any of its Subsidiaries entered into in the ordinary course of business, and (C) exclusive licenses for the use of the Intellectual Property of Borrower or any of its Subsidiaries entered into in the ordinary course of business, provided, that, with respect to each such license described in clauses (B) and (C), the license constitutes an arms-length transaction, the terms of which, on their face, do not provide for a sale or assignment of any Intellectual Property and do not restrict the ability of Borrower or any of its Subsidiaries, as applicable, to pledge, grant a security interest in or lien on, or assign or otherwise Transfer any Intellectual Property; provided, further, that, with respect to each such license described in clause (C), the license may be exclusive in respects other than territory and may be exclusive as to territory only as to discrete geographical areas outside of the United States.

**"Permitted Liens"** are:

(a) Liens existing on the Effective Date and disclosed on the Perfection Certificates or arising under this Agreement and the other Loan Documents;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which Borrower maintains adequate reserves on its Books;

(c) liens securing Indebtedness permitted under clause (e) of the definition of "Permitted Indebtedness," provided that (i) such liens exist prior to the acquisition of, or attach substantially simultaneous with, or within thirty (30) days after the, acquisition, lease, repair, improvement or construction of, such property financed or leased by such Indebtedness and (ii) such liens do not extend to any property of Borrower or any Subsidiary other than the property (and proceeds thereof) acquired, leased or built, or the improvements or repairs, financed by such Indebtedness;

(d) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory, securing liabilities in the aggregate amount not to exceed Fifty Thousand Dollars (\$50,000.00), and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(e) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(f) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (a) through (c), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase;

(g) leases or subleases of real property granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business);

(h) banker's liens, rights of setoff and Liens in favor of financial institutions incurred in the ordinary course of business arising in connection with Borrower's deposit accounts or securities accounts held at

such institutions solely to secure payment of fees and similar costs and expenses and provided such accounts are maintained in compliance with Section 6.6 hereof;

(i) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default under Section 8.4 or 8.7;

(j) Permitted Licenses;

(k) the filing of financing statements solely as a precautionary measure in connection with operating leases, consignment of goods or similar transactions;

(l) easements, zoning restrictions, rights-of-way, minor defects or irregularities of title and other similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not sure any monetary obligations and do not interfere with the ordinary course of business of Borrower or any Subsidiary in any material respect; and

(m) Liens granted in the ordinary course of business securing the financing of insurance premiums.

**“Person”** is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

**“Prepayment Fee”** is, with respect to any Term B Loan subject to prepayment prior to the Maturity Date, whether by mandatory or voluntary prepayment, acceleration or otherwise, an additional fee payable to the Lenders in amount equal to:

(i) for a prepayment made on or after the Funding Date of the initial Term B Loan and including the first anniversary of such Funding Date of such Term B Loan, two percent (2.00%) of the principal amount of such Term B Loan prepaid;

(ii) for a prepayment made after the date which is after the first anniversary of the Funding Date of the initial Term B Loan and prior to the Maturity Date, one percent (1.00%) of the principal amount of the Term B Loans prepaid.

**“Property”** means any interest in any kind of property or asset, whether real, personal or mixed, and whether tangible or intangible.

**“Pro Rata Share”** is, as of any date of determination, with respect to each Lender, a percentage (expressed as a decimal, rounded to the ninth decimal place) determined by dividing the outstanding principal amount of Term Loans held by such Lender by the aggregate outstanding principal amount of all Term Loans.

**“Registered Organization”** is any “registered organization” as defined in the Code with such additions to such term as may hereafter be made under the Code.

**“Registration”** means any registration, authorization, approval, license, permit, clearance, certificate, and exemption issued or allowed by the FDA (including, without limitation, new drug applications, abbreviated new drug applications, biologics license applications, investigational new drug applications, over-the-counter drug monograph, device pre-market approval applications, device pre-market notifications, investigational device exemptions, product recertifications, manufacturing approvals, registrations and authorizations, CE Marks, pricing and reimbursement approvals, labeling approvals or their foreign equivalent, controlled substance registrations, and wholesale distributor permits).

**“Regulatory Action”** means an administrative or regulatory enforcement action, proceeding, investigation or inspection, FDA Form 483 notice of inspectional observation, warning letter, untitled letter, other notice of

violation letter, recall, seizure, Section 305 notice or other similar written communication, or consent decree, issued by the FDA.

**“Related Persons”** means, with respect to any Person, each Affiliate of such Person and each director, officer, employee, agent, trustee, representative, attorney, accountant and each insurance, environmental, legal, financial and other advisor and other consultants and agents of or to such Person or any of its Affiliates.

**“Required Lenders”** means Lenders holding a majority of the aggregate outstanding principal balance of the Term Loan.

**“Requirement of Law”** is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

**“Responsible Officer”** is any of the President, Chief Executive Officer, or Chief Financial Officer of Borrower acting alone.

**“Second Draw Period”** is the period commencing on the Funding Date of the Term A Loan and ending on June 30, 2015.

**“Securities Account”** is any “securities account” as defined in the Code with such additions to such term as may hereafter be made under the Code.

**“Solvent”** is, with respect to any Person: the fair salable value of such Person’s consolidated assets (including goodwill minus disposition costs) exceeds the fair value of such Person’s liabilities; such Person is not left with unreasonably small capital after the transactions in this Agreement; and such Person is able to pay its debts (including trade debts) as they mature in the ordinary course (without taking into account any forbearance and extensions related thereto).

**“Subordinated Debt”** is indebtedness incurred by Borrower or any of its Subsidiaries subordinated to all Obligations (pursuant to a subordination, intercreditor, or other similar agreement in form and substance reasonably satisfactory to Collateral Agent entered into between Collateral Agent, Borrower, and/or any of its Subsidiaries, and the other creditor), on terms reasonably acceptable to Collateral Agent.

**“Subsidiary”** is, with respect to any Person, any Person of which more than fifty percent (50%) of the voting stock or other equity interests (in the case of Persons other than corporations) is owned or controlled, directly or indirectly, by such Person or through one or more intermediaries.

**“Success Fee Agreement”** is that certain Success Fee Agreement dated as of the Effective Date, between Borrower and SolarCap.

**“Term Loan Commitment”** is, for any Lender, the obligation of such Lender to make a Term Loan, up to the principal amount shown on Schedule 1.1.

**“Term Loan Commitments”** means the aggregate amount of such commitments of all Lenders.

**“Trademarks”** means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

## **2. LOANS AND TERMS OF PAYMENT**

**2.1 Promise to Pay.** Borrower hereby unconditionally promises to pay each Lender, the outstanding principal amount of all Term Loans advanced to Borrower by such Lender and accrued and unpaid interest thereon and any other amounts due hereunder as and when due in accordance with this Agreement.

## 2.2 Term Loans.

(a) Availability. (i) Subject to the terms and conditions of this Agreement and the prior satisfaction of the IPO Condition (as reasonably determined by the Lenders), the Lenders agree, severally and not jointly, upon Borrower's request, to make term loans to Borrower within ten (10) Business Days after such IPO, and in any event no later than June 30, 2014 if the IPO Condition occurs in June 2014, in an aggregate amount of Five Million Dollars (\$5,000,000.00) according to each Lender's Term A Loan Commitment as set forth on Schedule 1.1 hereto (such term loans are hereinafter referred to singly as a "**Term A Loan**", and collectively as the "**Term A Loans**"). After repayment, no Term A Loan may be re-borrowed.

(ii) Subject to the terms and conditions of this Agreement, the Lenders agree, severally and not jointly, during the Second Draw Period, upon Borrower's request, to make term loans to Borrower in an aggregate amount up to Ten Million Dollars (\$10,000,000.00), according to each Lender's Term B Loan Commitment as set forth on Schedule 1.1 hereto (such term loans are hereinafter referred to singly as a "**Term B Loan**", and collectively as the "**Term B Loans**"; each Term A Loan or Term B Loan is hereinafter referred to singly as a "**Term Loan**" and the Term A Loans and the Term B Loans are hereinafter referred to collectively as the "**Term Loans**"). After repayment, no Term B Loan may be re-borrowed. Subject to the conditions of this Agreement, Term B Loans will be funded in two (2) Five Million Dollar (\$5,000,000.00) tranches.

(b) Repayment. Borrower shall make monthly payments of interest only, in arrears, commencing on the first (1<sup>st</sup>) Payment Date following the Funding Date of each Term Loan, and continuing on the Payment Date of each successive month thereafter through and including the Payment Date immediately preceding the Amortization Date. Commencing on the Amortization Date, and continuing on the Payment Date of each month thereafter, Borrower shall make consecutive equal monthly payments of principal and interest, in arrears, to each Lender, as calculated by Collateral Agent (which calculations shall be deemed correct absent manifest error) based upon: (1) the amount of such Lender's Term Loan, (2) the effective rate of interest, as determined in Section 2.3(a), and (3) a repayment schedule starting on the Amortization Date and ending no later than forty eight (48) months after the Effective Date. All unpaid principal and accrued and unpaid interest with respect to each Term Loan is due and payable in full on the Maturity Date. The Term Loans may only be prepaid in accordance with Sections 2.2(c) and 2.2(d).

(c) Mandatory Prepayments. If the Term Loans are accelerated following the occurrence of an Event of Default, Borrower shall immediately pay to Lenders, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of: (i) all outstanding principal of the Term Loans plus accrued and unpaid interest thereon through the prepayment date, (ii) the Final Fee, (iii) the Prepayment Fee, plus (iv) all other Obligations that are due and payable, including Lenders' Expenses and interest at the Default Rate with respect to any past due amounts. Notwithstanding (but without duplication with) the foregoing, on the Maturity Date, if the Final Fee had not previously been paid in full in connection with the prepayment of the Term Loans in full, Borrower shall pay to Collateral Agent for payment to each Lender in accordance with its respective Pro Rata Share the Final Fee in respect of the Term Loans.

(d) Permitted Prepayment of Term Loans. Borrower shall have the option to prepay all, but not less than all, of the Term Loans advanced by the Lenders under this Agreement, provided Borrower (i) provides written notice to Collateral Agent of its election to prepay the Term Loans at least five (5) Business Days prior to such prepayment, and (ii) pays to the Lenders on the date of such prepayment, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of (A) all outstanding principal of the Term Loans plus accrued and unpaid interest thereon through the prepayment date, (B) the Final Fee, (C) the Prepayment Fee, plus (D) all other Obligations that are due and payable, including Lenders' Expenses and interest at the Default Rate with respect to any past due amounts.

## 2.3 Payment of Interest on the Term Loans.

(a) Interest Rate. Subject to Section 2.3(b), the principal amount outstanding under the Term Loans shall accrue interest at a floating rate per annum rate equal to the LIBOR Rate plus 8.80%, determined by Collateral Agent on the Funding Date of the applicable Term Loan, which interest shall be payable monthly in arrears in accordance with Sections 2.2(b) and 2.3(e). Interest shall accrue on each Term Loan commencing on, and

including, the Funding Date of such Term Loan, and shall accrue on the principal amount outstanding under such Term Loan through and including the day on which such Term Loan is paid in full.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall accrue interest at a fixed per annum rate equal to the rate that is otherwise applicable thereto plus five percentage points (5.00%) (the “**Default Rate**”). Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Collateral Agent.

(c) 360-Day Year. Unless otherwise noted, interest is payable monthly on the first calendar day of each month and shall be computed on the basis of a 360-day year for the actual number of days elapsed.

(d) Debit of Accounts. Collateral Agent and each Lender may debit (or ACH) any deposit accounts, maintained by Borrower or any of its Subsidiaries, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes the Lenders under the Loan Documents if such amounts are not paid when due. Any such debits (or ACH activity) shall not constitute a set-off.

(e) Payments. Except as otherwise expressly provided herein, all payments by Borrower under the Loan Documents shall be made to the respective Lender to which such payments are owed, at such Lender’s office in immediately available funds on the date specified herein. Unless otherwise provided, interest is payable monthly on the Payment Date of each month. Payments of principal and/or interest received after 2:00 p.m. Eastern time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment is due the next Business Day and additional fees or interest, as applicable, shall continue to accrue until paid. All payments to be made by Borrower hereunder or under any other Loan Document, including payments of principal and interest, and all fees, expenses, indemnities and reimbursements, shall be made without set-off, recoupment or counterclaim, in lawful money of the United States and in immediately available funds.

#### **2.4 Fees.** Borrower shall pay to Collateral Agent:

(a) Closing Fee. The Closing Fee, which shall be due on the Effective Date, to be shared between the Lenders in accordance with their respective Pro Rata Shares;

(b) Final Fee. The Final Fee, when due hereunder, to be shared between the Lenders in accordance with their respective Pro Rata Shares;

(c) Prepayment Fee. The Prepayment Fee, when due hereunder, to be shared between the Lenders in accordance with their respective Pro Rata Shares;

(d) Non-Use Fee. The Non-Use Fee, when due hereunder, to be shared between the Lenders in accordance with their respective Pro Rata Shares;

(e) Lenders’ Expenses. All Lenders’ Expenses (including reasonable attorneys’ fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due.

**2.5 Withholding.** Payments received by the Collateral Agent or the Lenders from Borrower hereunder will be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any governmental authority (including any interest, additions to tax or penalties applicable thereto). Specifically, however, if at any time any Governmental Authority, applicable law, regulation or international agreement requires Borrower to make any withholding or deduction from any such payment or other sum payable hereunder to the Lenders, Borrower hereby covenants and agrees that the amount due from Borrower with respect to such payment or other sum payable hereunder will be increased to the extent necessary to ensure that, after the making of such required withholding or deduction, each Lender receives a net sum equal to the sum which it would have received had no withholding or



deduction been required and Borrower shall pay the full amount withheld or deducted to the relevant Governmental Authority. Borrower will, upon request, furnish the Lenders with proof reasonably satisfactory to the Lenders indicating that Borrower has made such withholding payment; provided, however, that Borrower need not make any withholding payment if the amount or validity of such withholding payment is contested in good faith by appropriate and timely proceedings and as to which payment in full is bonded or reserved against by Borrower. To the extent it is legally entitled to do so, a Lender or any other recipient of payments or reimbursements hereunder that is entitled to an exemption from or reduction of withholding tax (including backup withholding) under the law of the jurisdiction in which Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder shall deliver to Borrower, at the time or times prescribed by applicable law or reasonably requested by Borrower, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. The agreements and obligations of Borrower contained in this Section 2.5 shall survive the termination of this Agreement.

### **3. CONDITIONS OF LOANS**

**3.1 Conditions Precedent to Closing on the Effective Date.** Each Lender's obligation to enter into this Agreement is subject to the condition precedent that Collateral Agent and each Lender shall consent to or shall have received, in form and substance reasonably satisfactory to Collateral Agent and each Lender, the following documents, and completion of the following matters:

(a) original of this Agreement, duly executed by Borrower;

(b) a completed Perfection Certificate for Borrower and each of its Subsidiaries;

(c) other than as provided in Section 3.5(c), duly executed original Control Agreements with respect to any Collateral Accounts maintained by Borrower other than any Excluded Account;

(d) the Operating Documents and good standing certificates of Borrower certified by the Secretary of State (or equivalent agency) of Borrower's jurisdiction of organization or formation and each jurisdiction in which Borrower and each Subsidiary is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date;

(e) duly executed original officer's certificate for Borrower, in a form reasonably acceptable to Collateral Agent and the Lenders;

(f) certified copies, dated as of date no earlier than thirty (30) days prior to the Effective Date, of financing statement searches, as Collateral Agent shall reasonably request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Term Loan, will be terminated or released;

(g) a duly executed legal opinion of counsel to Borrower dated as of the Effective Date;

(h) other than as provided in Section 3.5(b), evidence reasonably satisfactory to Collateral Agent and the Lenders that the insurance policies required by Section 6.5 hereof are in full force and effect, together with appropriate evidence showing loss payable and/or additional insured clauses or endorsements in favor of Collateral Agent, for the ratable benefit of the Lenders;

(i) original Success Fee Agreement, duly executed by Borrower; and

(j) payment of the Closing Fee and Lenders' Expenses then due as specified in Section 2.4 hereof (to the extent not already paid).

**3.2 Conditions Precedent to all Term Loans.** The obligation of each Lender to extend each Term Loan, including the initial Term Loan, is subject to the following conditions precedent:

(a) receipt by Collateral Agent of an executed Loan Payment Request Form in the form of Exhibit C attached hereto;

(b) the representations and warranties in Section 5 hereof shall be true, accurate and complete in all material respects on the Funding Date of each Term Loan; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Event of Default shall have occurred and be continuing or result from the funding of such Term Loan;

(c) in such Lender's reasonable discretion, there has not been any Material Adverse Change;

(d) for any Term B Loan, a completed Perfection Certificate for Borrower and each of its Subsidiaries; and

(e) payment of the fees and Lenders' Expenses then due as specified in Section 2.4 hereof.

**3.3 Covenant to Deliver.** Borrower agrees to deliver to Collateral Agent and the Lenders each item required to be delivered to Collateral Agent under this Agreement as a condition precedent to any Term Loan. Borrower expressly agrees that a Term Loan made prior to the receipt by Collateral Agent or any Lender of any such item shall not constitute a waiver by Collateral Agent or any Lender of Borrower's obligation to deliver such item, and any such Term Loan in the absence of a required item shall be made in each Lender's sole discretion.

**3.4 Procedures for Borrowing.** Subject to the prior satisfaction of all other applicable conditions to the making of a Term Loan set forth in this Agreement, to obtain a Term Loan (other than any Term Loan funded on the Effective Date), Borrower shall notify the Lenders (which notice shall be irrevocable) by electronic mail, facsimile, or telephone by 12:00 noon New York City time three (3) Business Days prior to the date the Term Loan is to be made. Together with any such electronic, facsimile or telephonic notification, Borrower shall deliver to Collateral Agent by electronic mail or facsimile a completed Loan Payment Request Form executed by a Responsible Officer or his or her designee. The Collateral Agent may rely on any telephone notice given by a person whom Collateral Agent reasonably believes is a Responsible Officer or designee. On the Funding Date, each Lender shall credit and/or transfer (as applicable) to the Designated Deposit Account, an amount equal to its Term Loan Commitment.

**3.5 Post-Closing Obligations.** Borrower shall (a) use commercially reasonable efforts to, within thirty (30) days of the Effective Date, deliver a landlord's consent executed in favor of Collateral Agent in respect of Borrower's leased locations in Waltham, Massachusetts and each additional location holding more than Fifty Thousand Dollars (\$50,000.00) of the Borrower's or its Subsidiaries' property (other than locations where property is held solely for, or in transition to or from, a clinical study), (b) obtain all endorsements in favor of Collateral Agent with respect to its insurance policies in accordance with Section 6.5 within sixty (60) days of the Effective Date and (c) obtain a Control Agreement with respect to the Borrower's Collateral Accounts held at Silicon Valley Bank within three (3) Business Days of the Effective Date.

#### **4. CREATION OF SECURITY INTEREST**

**4.1 Grant of Security Interest.** Borrower hereby grants Collateral Agent, for the ratable benefit of the Lenders, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Collateral Agent, for the ratable benefit of the Lenders, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. If Borrower shall acquire a commercial tort claim (as defined in the Code), Borrower shall promptly, and in any event within three (3) days, grant to Collateral Agent, for the ratable benefit of the Lenders, a security interest therein and in the proceeds

thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Collateral Agent.

If this Agreement is terminated, Collateral Agent's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as the Lenders' obligation to extend Term Loans has terminated, Collateral Agent shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower.

**4.2 Authorization to File Financing Statements.** Borrower hereby authorizes Collateral Agent to file financing statements or take any other action required to perfect Collateral Agent's security interests in the Collateral, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Collateral Agent's interest or rights under the Loan Documents.

## **5. REPRESENTATIONS AND WARRANTIES**

Borrower represents and warrants to Collateral Agent and the Lenders as follows:

**5.1 Due Organization, Authorization: Power and Authority.** Borrower and each of its Subsidiaries is duly existing and in good standing, and in the case of the Borrower as a Registered Organization, in its jurisdictions of organization or formation and Borrower and each of its Subsidiaries is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its businesses or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a Material Adverse Change. In connection with this Agreement, Borrower and each of its Subsidiaries has delivered to Collateral Agent a completed perfection certificate and any updates or supplements thereto on or before the Effective Date (each a "**Perfection Certificate**" and collectively, the "**Perfection Certificates**"). Borrower represents and warrants that all the information set forth on the Perfection Certificates pertaining to Borrower and each of its Subsidiaries is accurate and complete in all material respects.

The execution, delivery and performance by Borrower and any Guarantor of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's or such Guarantor's organizational documents, including its respective Operating Documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law applicable thereto, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or such Guarantor, or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect or filings required to perfect the security interest granted herein) or are being obtained pursuant to Section 6.1(b), or (v) constitute an event of default under any Material Agreement. Neither Borrower nor any of its Subsidiaries is in default under any agreement to which it is a party or by which it or any of its assets is bound in which such default could reasonably be expected to have a Material Adverse Change.

### **5.2 Collateral.**

(a) Borrower and any Guarantor have good title to, have rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien under the Loan Documents, free and clear of any and all Liens except Permitted Liens, and neither Borrower nor any Guarantor has any Deposit Accounts, Securities Accounts, Commodity Accounts or other investment accounts other than the Collateral Accounts or the other investment accounts, if any, described in the Perfection Certificates delivered to Collateral Agent in connection herewith with respect of which Borrower has given Collateral Agent notice and taken such actions as are necessary to give Collateral Agent a perfected security interest therein, other than with respect to Excluded Accounts. The Accounts are bona fide, existing obligations of the Account Debtors.

(b) The security interest granted herein is and shall at all times continue to be a valid and enforceable security interest in the Collateral and upon the filing of a financing statement in appropriate form in the

Code records of the Secretary of State of the State of Delaware, the security interest created hereby shall constitute a first priority perfected security interest to the extent perfection can be obtained by filing financing statements a first priority perfected security interest in the Collateral, subject only to Permitted Liens.

(c) On the Effective Date, and except as disclosed on the Perfection Certificate (i) the Collateral is not in the possession of any third party bailee, and (ii) no such third party bailee possesses components of the Collateral in excess of Fifty Thousand Dollars (\$50,000.00) (other than locations where property is held solely for, or in transition to or from, a clinical study).

(d) All Inventory is in all material respects of good and marketable quality, free from material defects.

(e) Borrower and each of its Subsidiaries is the sole owner of the Intellectual Property each respectively purports to own, free and clear of all Liens other than Permitted Liens. Except as noted on the Perfection Certificates, as of the Effective Date, neither Borrower nor any of its Subsidiaries is a party to, nor is bound by, any material license or other Material Agreement.

**5.3 Litigation.** Except as disclosed on the Perfection Certificate or with respect to which Borrower has provided notice as required hereunder, there are no actions, suits, investigations, or proceedings pending or, to the knowledge of the Responsible Officers, threatened in writing by or against Borrower or any of its Subsidiaries involving more than Two Hundred Fifty Thousand Dollars (\$250,000.00).

**5.4 No Material Adverse Change; Financial Statements; no default under Material Agreements.** All consolidated financial statements for Borrower and its Subsidiaries, delivered to Collateral Agent fairly present, in conformity with GAAP, in all material respects the consolidated financial condition of Borrower and its Subsidiaries, and the consolidated results of operations of Borrower and its Subsidiaries. Since December 31, 2012, there has not been a Material Adverse Change. On the Effective Date, no default or breach or an event that would give rise with the passing of time to a default or breach, exists under any Material Agreement.

**5.5 Solvency.** Borrower and each of its Subsidiaries, when taken as a whole, is Solvent.

**5.6 Regulatory Compliance.** Neither Borrower nor any of its Subsidiaries is an “investment company” or a company “controlled” by an “investment company” under the Investment Company Act of 1940, as amended. Neither Borrower nor any of its Subsidiaries is engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower and each of its Subsidiaries has complied in all material respects with the Federal Fair Labor Standards Act. Neither Borrower nor any of its Subsidiaries is a “holding company” or an “affiliate” of a “holding company” or a “subsidiary company” of a “holding company” as each term is defined and used in the Public Utility Holding Company Act of 2005. Neither Borrower nor any of its Subsidiaries has violated any laws, ordinances or rules, the violation of which could reasonably be expected to have a Material Adverse Change. Neither Borrower’s nor any of its Subsidiaries’ properties or assets has been used by Borrower or such Subsidiary or, to Borrower’s knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in material compliance with applicable laws. Borrower and each of its Subsidiaries has obtained all material consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

None of Borrower, any of its Subsidiaries, or any of Borrower’s or its Subsidiaries’ Affiliates or, to the knowledge of Borrower, any of their respective agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement is (i) in violation of any applicable Anti-Terrorism Law, (ii) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding or attempts to violate, any of the prohibitions set forth in any applicable Anti-Terrorism Law, or (iii) is a Blocked Person. To the extent prohibited by applicable Anti-Terrorism Law, none of Borrower, any of its Subsidiaries, or to the knowledge of Borrower and any of their Affiliates or agents, acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, (x) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (y) deals in, or otherwise

engages in any transaction relating to, any property or interest in property blocked pursuant to applicable Anti-Terrorism Law.

**5.7 Investments.** Neither Borrower nor any of its Subsidiaries owns any stock, shares, partnership interests or other equity securities except for Permitted Investments.

**5.8 Tax Returns and Payments; Pension Contributions.** Borrower and each of its Subsidiaries has timely filed all required tax returns and reports, and Borrower and each of its Subsidiaries, has timely paid all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Borrower and such Subsidiaries in an amount greater than Twenty Thousand Dollars (\$20,000), in all jurisdictions in which Borrower or any such Subsidiary is subject to taxes, including the United States, unless such taxes are being contested in accordance with the next sentence. Borrower and each of its Subsidiaries, may defer payment of any contested taxes, provided that Borrower or such Subsidiary, in good faith contests its obligation to pay the taxes by appropriate proceedings promptly and diligently instituted and conducted. Neither Borrower nor any of its Subsidiaries is aware of any claims or adjustments proposed for any of Borrower's or such Subsidiaries', prior tax years which could result in additional taxes becoming due and payable by Borrower or its Subsidiaries. Borrower and each of its Subsidiaries have paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and neither Borrower nor any of its Subsidiaries have, withdrawn from participation in, and have not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower or its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority.

**5.9 Use of Proceeds.** Borrower shall use the proceeds of the Term Loans solely as working capital and to fund its general business requirements in accordance with the provisions of this Agreement, and not for personal, family, household or agricultural purposes.

**5.10 Full Disclosure.** No written representation, warranty or other statement of Borrower or any of its Subsidiaries in any certificate or written statement given to Collateral Agent or any Lender, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Collateral Agent or any Lender, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized that projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

## **6. AFFIRMATIVE COVENANTS**

Borrower shall, and shall cause each of its Subsidiaries to, do all of the following for so long as any Lender has an obligation to lend or there are outstanding Obligations (other than inchoate indemnity obligations):

### **6.1 Government Compliance.**

(a) Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of organization and maintain qualification in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Change. Comply with all laws, ordinances and regulations to which Borrower or any of its Subsidiaries is subject, the noncompliance with which could reasonably be expected to have a Material Adverse Change.

(b) Obtain and keep in full force and effect, all of the material Governmental Approvals necessary for the performance by Borrower and its Subsidiaries of their respective businesses and obligations under the Loan Documents and the grant of a security interest to Collateral Agent for the ratable benefit of the Lenders, in all of the Collateral.

## 6.2 Financial Statements, Reports, Certificates; Notices.

(a) Deliver to Collateral Agent:

(i) as soon as available, but no later than thirty (30) days after the last day of each month, a company prepared consolidated balance sheet, income statement and cash flow statement covering the consolidated operations of Borrower and its Subsidiaries for such month certified by a Responsible Officer and in a form reasonably acceptable to Collateral Agent;

(ii) as soon as available, but no later than one hundred eighty (180) days after the last day of Borrower's fiscal year or within five (5) Business Days of filing with the Securities and Exchange Commission ("SEC"), audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion (other than any "going concern" or like qualification or exception solely in connection with the need to raise equity) on the financial statements from an independent certified public accounting firm acceptable to Collateral Agent in its reasonable discretion;

(iii) as soon as available after approval thereof by Borrower's board of directors, but no later than ten (10) days' after such approval, Borrower's annual financial projections for the entire current fiscal year as approved by Borrower's board of directors; provided that, any revisions to such projections approved by Borrower's board of directors shall be delivered to Collateral Agent and the Lenders no later than seven (7) days after such approval);

(iv) within five (5) days of delivery, copies of all non-ministerial statements, reports and notices made available to Borrower's security holders or holders of Subordinated Debt;

(v) in the event that Borrower becomes subject to the reporting requirements under the Securities Exchange Act of 1934, as amended, within five (5) days of filing, all reports on Form 10-K, 10-Q and 8-K filed with the Securities and Exchange Commission;

(vi) prompt notice of any amendments of or other changes to the Operating Documents of Borrower or any of its Subsidiaries, together with any copies reflecting such amendments or changes with respect thereto;

(vii) prompt delivery of (and in any event within five (5) days after the same are sent or received) copies of all material correspondence, reports, documents and other filings with any Governmental Authority that could reasonably be expected to have a material adverse effect on any of the Governmental Approvals material to Borrower's business or otherwise could reasonably be expected to have a Material Adverse Change;

(viii) prompt notice of any event that (A) could reasonably be expected to materially and adversely affect the value of the Intellectual Property, (B) could reasonably be expected to result in a Material Adverse Change, and (C) is reasonably likely to cause or causes a non-ministerial breach or default under any Material Agreement;

(ix) written notice at least (10) days' (or such shorter period as the Collateral Agent may agree) prior to Borrower's creation of a New Subsidiary in accordance with the terms of Section 6.10;

(x) written notice at least (30) days' prior to Borrower's (A) adding any new offices or business locations, including warehouses (unless such new offices or business locations contain less than Ten Thousand Dollars (\$10,000.00) in assets or property of Borrower or any of its Subsidiaries), (B) changing its jurisdiction of organization, (C) changing its organizational structure or type, (D) change its legal name, or (E) changing any organizational number (if any) assigned by its jurisdiction of organization;

(xi) upon Borrower becoming aware of the existence of any Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default, prompt (and in any event within three (3) Business Days) written notice of such occurrence, which such notice shall include a

reasonably detailed description of such Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default;

(xii) immediate notice if Borrower or such Subsidiary has knowledge that Borrower, or any Subsidiary or Affiliate of Borrower, is listed on the OFAC Lists or (a) is convicted on, (b) pleads *nolo contendere* to, (c) is indicted on, or (d) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering;

(xiii) immediate notice if Borrower or such Subsidiary has knowledge that Borrower, or any Subsidiary or Affiliate of Borrower, is a Blocked Person or (a) is convicted on, (b) pleads *nolo contendere* to, (c) is indicted on, or (d) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering;

(xiv) within ten (10) days of any Key Person ceasing to be actively engaged in the management of Borrower; and

(xv) other information as reasonably requested by Collateral Agent.

Documents required to be delivered pursuant to Section 6.2(a) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto on the Borrower's website; provided that: (i) Borrower shall deliver paper or electronic copies of such documents to the Collateral Agent or any Lender upon its request to Borrower to deliver such paper or electronic copies until a written request to cease delivering paper or electronic copies is given by the Collateral Agent or such Lender and (ii) Borrower shall notify the Collateral Agent (by telecopier or electronic mail) of the posting of any such documents.

(b) Concurrently with the delivery of the financial statements specified in Section 6.2(a)(i) above but no later than thirty (30) days after the last day of each month, deliver to Collateral Agent:

(i) a duly completed Compliance Certificate signed by a Responsible Officer;

(ii) copies of any material Governmental Approvals obtained by Borrower or any of its Subsidiaries;

(iii) written notice of the commencement of, and any material development in, the proceedings contemplated by Section 5.8 hereof;

(iv) written notice of any litigation or governmental proceedings pending or threatened (in writing) against Borrower or any of its Subsidiaries, which could reasonably be expected to result in damages or costs to Borrower or any of its Subsidiaries of Two Hundred Fifty Thousand Dollars (\$250,000.00);

(v) written notice of all returns, recoveries, disputes and claims regarding Inventory that involve more than One Hundred Thousand Dollars (\$100,000.00) individually or in the aggregate in any calendar year; and

(vi) copies of any exclusive license entered into in accordance with clause (C) of the definition of Permitted License.

(c) Keep proper, complete and true books of record and account in accordance with GAAP in all material respects. Borrower shall, and shall cause each of its Subsidiaries to, allow, at the sole cost of Borrower, Collateral Agent or any Lender, during regular business hours upon reasonable prior notice, to visit and inspect any of its properties, to examine and make abstracts or copies from any of its books and records, and to conduct a collateral audit and analysis of its operations and the Collateral. Such audits shall be conducted no more often than twice every year unless (and more frequently if) an Event of Default has occurred and is continuing.

**6.3 Inventory; Returns.** Keep all Inventory in good and marketable condition, free from material defects. Returns and allowances between Borrower, or any of its Subsidiaries, and their respective Account Debtors shall follow Borrower's, or such Subsidiary's, customary practices as they exist at the Effective Date.

**6.4 Taxes; Pensions.** Timely file and require each of its Subsidiaries to timely file, all required federal and other material tax returns and reports and timely pay, and require each of its Subsidiaries to timely pay, all federal, foreign, state, and local taxes, assessments, deposits and contributions owed by Borrower or its Subsidiaries, except as otherwise permitted pursuant to the terms of Section 5.8 hereof, and shall deliver to Collateral Agent, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with the terms of such plans.

**6.5 Insurance.** Keep Borrower's and its Subsidiaries' business and the Collateral insured for risks and in amounts standard for companies in Borrower's and its Subsidiaries' industry and location and as Collateral Agent may reasonably request. Insurance policies shall be in a form, with companies, and in amounts that are reasonably satisfactory to Collateral Agent. All property policies shall have a lender's loss payable endorsement showing Collateral Agent as lender loss payee and waive subrogation against Collateral Agent, and all liability policies shall show, or have endorsements showing, Collateral Agent, as additional insured. The Collateral Agent shall be named as lender loss payee and/or additional insured with respect to any such insurance providing coverage in respect of any Collateral, and each provider of any such insurance shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the Collateral Agent, that it will give the Collateral Agent thirty (30) days prior written notice before any such policy or policies shall be canceled. At Collateral Agent's request, Borrower shall deliver certified copies of policies and evidence of all premium payments. Proceeds payable under any policy shall, at Collateral Agent's option, be payable to Collateral Agent, for the ratable benefit of the Lenders, on account of the Obligations. Notwithstanding the foregoing, (a) so long as no Event of Default has occurred and is continuing, Borrower shall have the option of applying the proceeds of any casualty policy within 90 days of receipt thereof up to Five Hundred Thousand Dollars (\$500,000.00) with respect to any loss, but not exceeding Five Hundred Thousand Dollars (\$500,000.00), in the aggregate for all losses under all casualty policies in any one year, toward the replacement or repair of destroyed or damaged property; provided that any such replaced or repaired property (i) shall be of equal or like value as the replaced or repaired Collateral and (ii) shall be deemed Collateral in which Collateral Agent has been granted a first priority security interest, and (b) after the occurrence and during the continuance of an Event of Default, all proceeds payable under such casualty policy shall, at the option of Collateral Agent, be payable to Collateral Agent, for the ratable benefit of the Lenders, on account of the Obligations. If Borrower or any of its Subsidiaries fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment to third persons, Collateral Agent may make (but has no obligation to do so), at Borrower's expense, all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies Collateral Agent deems prudent.

#### **6.6 Operating Accounts.**

(a) Borrower shall provide Collateral Agent ten (10) days' (or such shorter period as Collateral Agent may agree) prior written notice before Borrower or any of its Subsidiaries establishes any Collateral Account. In addition, for each Collateral Account that Borrower or any of Guarantor at any time maintains, other than an Excluded Account, Borrower or such Subsidiary shall cause the applicable bank or financial institution at or with which such Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Collateral Agent's Lien in such Collateral Account in accordance with the terms hereunder prior to the establishment of such Collateral Account, which Control Agreement may not be terminated without prior written consent of Collateral Agent. No Subsidiary located outside of the United States can hold more than One Hundred Thousand Dollars (\$100,000) each or Two Hundred Fifty Thousand Dollars (\$250,000) in the aggregate at any time.

(b) Neither Borrower nor any of its Subsidiaries shall maintain any Collateral Accounts except Collateral Accounts maintained in accordance with Section 6.6.

**6.7 Protection of Intellectual Property Rights.** Borrower and each of its Subsidiaries shall: (a) use commercially reasonable efforts to protect, defend and maintain the validity and enforceability of its Intellectual Property that is material to its business; (b) promptly advise Collateral Agent in writing of material infringement by



a third party of its Intellectual Property; and (c) not allow any Intellectual Property material to its business to be abandoned, forfeited or dedicated to the public without Collateral Agent's prior written consent.

**6.8 Litigation Cooperation.** Make available to Collateral Agent, without expense to Collateral Agent or the Lenders, Borrower and each of Borrower's officers, employees and agents and Borrower's Books, to the extent that Collateral Agent may reasonably deem them necessary to prosecute or defend any third-party suit or proceeding instituted by or against Collateral Agent with respect to any Collateral or relating to Borrower.

**6.9 Landlord Waivers; Bailee Waivers.** In the event that Borrower or any of its Subsidiaries, after the Effective Date, intends to add any new offices or business locations, including warehouses, or otherwise store any portion of the Collateral with, or deliver any portion of the Collateral to, a bailee, in each case pursuant to Section 7.2, and, in the event that the Collateral at any new location (other than Collateral (i) at customer locations, (ii) locations listed on the Perfection Certificate on the Effective Date, or (iii) at clinical sites) is valued in excess of Fifty Thousand Dollars (\$50,000.00) in the aggregate, at Collateral Agent's election, such bailee or landlord, as applicable, must execute and deliver a bailee waiver or landlord waiver, as applicable, in form and substance reasonably satisfactory to Collateral Agent prior to the addition of any new offices or business locations, or any such storage with or delivery to any such bailee, as the case may be.

**6.10 Creation/Acquisition of Subsidiaries.** In the event any Borrower or any Subsidiary of any Borrower creates or acquires any Subsidiary after the Effective Date, Borrower or such Subsidiary shall take all actions reasonably requested by Bank to achieve any of the following with respect to such "**New Subsidiary**" (defined as a Subsidiary formed after the date hereof during the term of this Agreement): (i) if such New Subsidiary is organized under the laws of the United States, to cause such New Subsidiary to become either a co-Borrower hereunder or a secured guarantor with respect to the Obligations; and (ii) to grant and pledge to Collateral Agent a perfected security interest in 100% of the stock, units or other evidence of ownership held by Borrower or its Subsidiaries of any such New Subsidiary which is organized under the laws of the United States, and 65% of the stock, units or other evidence of ownership held by Borrower or its Subsidiaries of any such New Subsidiary which is not organized under the laws of the United States.

**6.11 Further Assurances.** Execute any further instruments and take further action as Collateral Agent or any Lender reasonably requests to perfect or continue Collateral Agent's Lien in the Collateral or to effect the purposes of this Agreement.

## **7. NEGATIVE COVENANTS**

Borrower shall not, and shall not permit any of its Subsidiaries to, do any of the following for so long as any Lender has an obligation to lend or there are outstanding Obligations (other than inchoate indemnity obligations) without the prior written consent of Collateral Agent:

**7.1 Dispositions.** Convey, sell, lease, transfer, assign, dispose of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of used, worn-out, damaged, surplus or obsolete Equipment; (c) in connection with Permitted Liens, Permitted Investments and Permitted Licenses; (d) of Accounts in connection with the compromise, settlement or collection thereof in the ordinary course of business (and not as part of a bulk sale or receivables financing), (e) resulting from any casualty or other damage to, or any taking under power of eminent domain or by condemnation or similar proceeding, or (f) Transfers not permitted by clauses (a) through (e) provided that the aggregate fair value of all assets Transferred in reliance upon this Section 7.1(i) shall not exceed Twenty-Five Thousand Dollars (\$25,000) in the aggregate in any fiscal year.

**7.2 Changes in Business, Management, Ownership, or Business Locations.** (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses engaged in by Borrower or such Subsidiary, as applicable, as of the Effective Date or reasonably related thereto; (b) liquidate or dissolve; or (c) other than with respect to the IPO, enter into any transaction or series of related transactions in which (A) the stockholders of Borrower who were not stockholders immediately prior to the first such transaction own more than 35% of the voting stock of Borrower immediately after giving effect to such transaction or related series of such transactions

and (B) except in connection with a transaction permitted by Section 7.1, Borrower ceases to own 100% of the ownership interests of a Subsidiary of Borrower.

**7.3 Mergers or Acquisitions.** Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock, shares or property of another Person. A Subsidiary may merge or consolidate into another Subsidiary (provided such surviving Subsidiary is a “co-Borrower” hereunder or has provided a secured Guaranty of Borrower’s Obligations hereunder) or with (or into) Borrower provided Borrower is the surviving legal entity, and as long as no Event of Default is occurring prior thereto or arises as a result therefrom.

**7.4 Indebtedness.** Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

**7.5 Encumbrance.** Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, or permit any Collateral not to be subject to the first priority security interest granted herein (except for Permitted Liens), or enter into any agreement, document, instrument or other arrangement (except with or in favor of Collateral Agent, for the ratable benefit of the Lenders) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower, or any of its Subsidiaries, from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower’s or such Subsidiary’s Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of “Permitted Liens”.

**7.6 Maintenance of Collateral Accounts.** Maintain any Collateral Account except pursuant to the terms of Section 6.6 hereof.

**7.7 Restricted Payments.** Pay any dividends (other than dividends payable solely in capital stock) or make any distribution or payment in respect of or redeem, retire or purchase any capital stock (other than repurchases pursuant to the terms of employee stock purchase plans, employee restricted stock agreements, stockholder rights plans, director or consultant stock option plans, or similar plans, provided such repurchases do not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) in the aggregate per fiscal year).

**7.8 Investments.** Directly or indirectly make any Investment other than Permitted Investments, or permit any of its Subsidiaries to do so.

**7.9 Transactions with Affiliates.** Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower or any of its Subsidiaries, except for (a) transactions that are in the ordinary course of Borrower’s or such Subsidiary’s business, upon fair and reasonable terms that are no less favorable to Borrower or such Subsidiary than would be obtained in an arm’s length transaction with a non-affiliated Person, and (b) Subordinated Debt or equity investments by Borrower’s investors in Borrower, or by Borrower in its Subsidiaries.

**7.10 Subordinated Debt.** (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would adversely affect the subordination thereof to Obligations owed to the Lenders.

**7.11 Compliance.** Become an “investment company” or a company controlled by an “investment company”, under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Term Loan for that purpose; fail to materially meet the minimum funding requirements of ERISA, permit a Reportable Event that could reasonably be expected to have a Material Adverse Change or permit a Prohibited Transaction, as defined in ERISA, to occur; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could reasonably be expected to have a Material Adverse Change, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of

any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Borrower or any of its Subsidiaries, including any material liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority.

**7.12 Compliance with Anti-Terrorism Laws.** Neither Borrower nor any of its Subsidiaries shall, nor shall Borrower or any of its Subsidiaries permit any Affiliate to, directly or indirectly, knowingly enter into any documents, instruments, agreements or contracts with any Blocked Person, to the extent prohibited by applicable Anti-Terrorism Law. To the extent prohibited by applicable Anti-Terrorism Law, neither Borrower nor any of its Subsidiaries shall, nor shall Borrower or any of its Subsidiaries, permit any Affiliate to, directly or indirectly, (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including, without limitation, the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to applicable Anti-Terrorism Law, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any applicable Anti-Terrorism Law.

**7.13 Material Agreements.** Neither Borrower nor any of its Subsidiaries shall, without the consent of Collateral Agent, amend or terminate the Bayer Agreement unless the net effect of such amendment or termination is not reasonably expected to be adverse to Borrower, any of its Subsidiaries, Collateral Agent or Lenders.

## **8. EVENTS OF DEFAULT**

Any one of the following shall constitute an event of default (an “**Event of Default**”) under this Agreement:

**8.1 Payment Default.** Borrower fails to (a) make any payment of principal on any Term Loan on its due date, or (b) pay any other Obligations, including interest, within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day grace period shall not apply to payments due on the Maturity Date or the date of acceleration pursuant to Section 9.1 (a) hereof);

### **8.2 Covenant Default.**

(a) Borrower or any of its Subsidiaries fails or neglects to perform any obligation in Sections 6.2(a)(i), (ii), (iii), (vii), (ix), (x), (xi), (xii), (xiii) or (xiv) or 6.2 (Financial Statements, Reports, Certificates), 6.5 (Insurance), 6.6 (Operating Accounts), 6.7 (Protection of Intellectual Property Rights), 6.9 (Landlord Waivers; Bailee Waivers), 6.10 (Creation/Acquisition of Subsidiaries) or Borrower violates any provision in Section 7; or

(b) Borrower, or any of its Subsidiaries, fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within fifteen (15) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the fifteen (15) day period or cannot after diligent attempts by Borrower be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Term Loans shall be made during such cure period).

**8.3 Material Adverse Change.** A Material Adverse Change has occurred;

### **8.4 Attachment; Levy; Restraint on Business.**

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or any of its Subsidiaries on deposit with any institution at which Borrower or any of its Subsidiaries maintains a Collateral Account, or (ii) a notice of lien, levy, or assessment is filed against Borrower or any of its Subsidiaries or their respective assets by any government agency, and the same under subclauses (i) and (ii) hereof

are not, within ten (10) Business Days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); and

(b) (i) any material portion of Borrower's or any of its Subsidiaries' assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower or any of its Subsidiaries from conducting any material part of its business;

**8.5 Insolvency.** (a) (i) the fair salable value of the Borrower's consolidated assets (including goodwill minus disposition costs) does not exceed the fair value of Borrower's consolidated liabilities; (ii) Borrower is left with unreasonably small capital after the transactions in this Agreement; and (iii) Borrower is not able to pay its debts (including trade debts) as they mature in the ordinary course (without taking into account any forbearance and extensions related thereto); (b) Borrower or any of its Subsidiaries begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Borrower or any of its Subsidiaries and not dismissed or stayed within forty-five (45) days (but no Term Loans shall be extended while Borrower or any Subsidiary is Insolvent and/or until any Insolvency Proceeding is dismissed);

**8.6 Other Agreements.** There is a default in (a) any agreement to which Borrower or any of its Subsidiaries is a party with a third party or parties resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount in excess of One Hundred Thousand Dollars (\$100,000.00) or that could reasonably be expected to have a Material Adverse Change; (b) there is any default under the Bayer License that permits the counterparty thereto to accelerate the payments owed thereunder or terminate the Bayer License; or (c) there is any default under any other Material Agreement that permits the counterparty thereto to accelerate payments in excess of Five Hundred Thousand Dollars (\$500,000.00) owed thereunder;

**8.7 Judgments.** One or more judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least One Hundred Thousand Dollars (\$100,000.00) (not covered by independent third-party insurance) shall be rendered against Borrower or any of its Subsidiaries and shall remain unsatisfied, unvacated, or unstayed for a period of ten (10) Business Days after the entry thereof;

**8.8 Misrepresentations.** Borrower or any of its Subsidiaries or any Person acting for Borrower or any of its Subsidiaries makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Collateral Agent and/or Lenders or to induce Collateral Agent and/or the Lenders to enter this Agreement or any Loan Document, and such representation, warranty, or other statement, when taken as a whole, is incorrect in any material respect when made;

**8.9 Subordinated Debt.** A default or breach occurs under any agreement between Borrower or any of its Subsidiaries and any creditor of Borrower or any of its Subsidiaries that signed a subordination, intercreditor, or other similar agreement with Collateral Agent or the Lenders, or any creditor that has signed such an agreement with Collateral Agent or the Lenders breaches any terms of such agreement (to the extent not cured or waived pursuant to the terms therein);

**8.10 Guaranty.** Any Guaranty terminates or ceases for any reason to be in full force and effect other than pursuant to its terms;

**8.11 Governmental Approvals; FDA Action.** (a) Any Governmental Approval shall have been revoked, rescinded, suspended, modified in an adverse manner, or not renewed in the ordinary course for a full term *and* such revocation, rescission, suspension, modification or non-renewal has resulted in or could reasonably be expected to result in a Material Adverse Change; or (b) (i) the FDA initiates a Regulatory Action or any other enforcement action against Borrower or any of its Subsidiaries or any supplier of Borrower or any of its Subsidiaries that causes Borrower or any of its Subsidiaries to recall, withdraw, remove or discontinue marketing any of its products; (ii) the FDA issues a warning letter to Borrower or any of its Subsidiaries with respect to any of its activities or products which could reasonably be expected to result in a Material Adverse Change; (iii) Borrower or any of its Subsidiaries conducts a mandatory or voluntary recall which could reasonably be expected to result in a Material Adverse Change; (iv) Borrower or any of its Subsidiaries enters into a settlement agreement with the FDA that results in aggregate liability as to any single or related series of transactions, incidents or conditions that could

reasonably be expected to result in a Material Adverse Change; or (v) the FDA revokes any authorization or permission granted under any Registration, or Borrower or any of its Subsidiaries withdraws any Registration, that could reasonably be expected to result in a Material Adverse Change.

**8.12 Lien Priority.** Any Lien created hereunder or by any other Loan Document shall at any time fail to constitute a valid and perfected Lien (to the extent required to be perfected) on any material Collateral purported to be secured thereby, subject to no prior or equal Lien, other than Permitted Liens; provided that, notwithstanding the foregoing, any failure to maintain such perfection that results directly from the failure of the Collateral Agent to (i) maintain possession of certificates actually delivered to it representing securities or negotiable instruments or (ii) file UCC continuation statements (which, in either case, does not arise from a breach by Borrower of its obligations under the Loan Documents) shall not constitute an Event Default under this Section 8.12.

## **9. RIGHTS AND REMEDIES**

### **9.1 Rights and Remedies.**

(a) Upon the occurrence and during the continuance of an Event of Default, Collateral Agent may, and at the written direction of Required Lenders shall, without notice or demand, do any or all of the following: (i) deliver notice of the Event of Default to Borrower, (ii) by notice to Borrower declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations shall be immediately due and payable without any action by Collateral Agent or the Lenders) or (iii) by notice to Borrower suspend or terminate the obligations, if any, of the Lenders to advance money or extend credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Collateral Agent and/or the Lenders (but if an Event of Default described in Section 8.5 occurs all obligations, if any, of the Lenders to advance money or extend credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Collateral Agent and/or the Lenders shall be immediately terminated without any action by Collateral Agent or the Lenders).

(b) Without limiting the rights of Collateral Agent and the Lenders set forth in Section 9.1(a) above, upon the occurrence and during the continuance of an Event of Default, Collateral Agent shall have the right and at the written direction of the Required Lenders shall, without notice or demand, to do any or all of the following:

(i) foreclose upon and/or sell or otherwise liquidate, the Collateral;

(ii) apply to the Obligations any (a) balances and deposits of Borrower that Collateral Agent or any Lender holds or controls, or (b) any amount held or controlled by Collateral Agent or any Lender owing to or for the credit or the account of Borrower; and/or

(iii) commence and prosecute an Insolvency Proceeding or consent to Borrower commencing any Insolvency Proceeding.

(c) Without limiting the rights of Collateral Agent and the Lenders set forth in Sections 9.1(a) and (b) above, upon the occurrence and during the continuance of an Event of Default, Collateral Agent shall have the right and at the written direction of the Required Lenders shall, without notice or demand, to do any or all of the following:

(i) settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Collateral Agent considers advisable, notify any Person owing Borrower money of Collateral Agent's security interest in such funds, and verify the amount of such account;

(ii) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Collateral Agent requests and make it available in a location as Collateral Agent reasonably designates. Collateral Agent may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral,

and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Collateral Agent a license to enter and occupy any of its premises, without charge, to exercise any of Collateral Agent's rights or remedies;

(iii) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, and/or advertise for sale, the Collateral. Collateral Agent is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's and each of its Subsidiaries' labels, patents, copyrights, mask works, rights of use of any name, trade secrets, trade names, trademarks, service marks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Collateral Agent's exercise of its rights under this Section 9.1, Borrower's and each of its Subsidiaries' rights under all licenses and all franchise agreements inure to Collateral Agent, for the benefit of the Lenders;

(iv) place a "hold" on any account maintained with Collateral Agent or the Lenders and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(v) demand and receive possession of Borrower's Books;

(vi) appoint a receiver to seize, manage and realize any of the Collateral, and such receiver shall have any right and authority as any competent court will grant or authorize in accordance with any applicable law, including any power or authority to manage the business of Borrower or any of its Subsidiaries; and

(vii) subject to clauses 9.1(a) and (b), exercise all rights and remedies available to Collateral Agent and each Lender under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

Notwithstanding any provision of this Section 9.1 to the contrary, upon the occurrence of any Event of Default, Collateral Agent shall have the right to exercise any and all remedies referenced in this Section 9.1 without the written consent of Required Lenders following the occurrence of an Exigent Circumstance.

**9.2 Power of Attorney.** Borrower hereby irrevocably appoints Collateral Agent as its lawful attorney-in-fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's or any of its Subsidiaries' name on any checks or other forms of payment or security; (b) sign Borrower's or any of its Subsidiaries' name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Collateral Agent determines reasonable; (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Collateral Agent or a third party as the Code or any applicable law permits. Borrower hereby appoints Collateral Agent as its lawful attorney-in-fact to sign Borrower's or any of its Subsidiaries' name on any documents necessary to perfect or continue the perfection of Collateral Agent's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations (other than inchoate indemnity obligations) have been satisfied in full and Collateral Agent and the Lenders are under no further obligation to make extend Term Loans hereunder. Collateral Agent's foregoing appointment as Borrower's or any of its Subsidiaries' attorney in fact, and all of Collateral Agent's rights and powers, coupled with an interest, are irrevocable until all Obligations (other than inchoate indemnity obligations) have been fully repaid and performed and Collateral Agent's and the Lenders' obligation to provide Term Loans terminates.

**9.3 Protective Payments.** If Borrower or any of its Subsidiaries fail to obtain the insurance called for by Section 6.5 or fails to pay any premium thereon or fails to pay any other amount which Borrower or any of its Subsidiaries is obligated to pay under this Agreement or any other Loan Document, Collateral Agent may obtain such insurance or make such payment, and all amounts so paid by Collateral Agent are Lenders' Expenses and immediately due and payable, bearing interest at the Default Rate, and secured by the Collateral. Collateral Agent

will make reasonable efforts to provide Borrower with notice of Collateral Agent obtaining such insurance or making such payment at the time it is obtained or paid or within a reasonable time thereafter. No such payments by Collateral Agent are deemed an agreement to make similar payments in the future or Collateral Agent's waiver of any Event of Default.

**9.4 Application of Payments and Proceeds.** Notwithstanding anything to the contrary contained in this Agreement, upon the occurrence and during the continuance of an Event of Default, (a) Borrower irrevocably waives the right to direct the application of any and all payments at any time or times thereafter received by Collateral Agent from or on behalf of Borrower or any of its Subsidiaries of all or any part of the Obligations, and, as between Borrower on the one hand and Collateral Agent and Lenders on the other, Collateral Agent shall have the continuing and exclusive right to apply and to reapply any and all payments received against the Obligations in such manner as Collateral Agent may deem advisable notwithstanding any previous application by Collateral Agent, and (b) the proceeds of any sale of, or other realization upon all or any part of the Collateral shall be applied: first, to the Lenders' Expenses; second, to accrued and unpaid interest on the Obligations (including any interest which, but for the provisions of the United States Bankruptcy Code, would have accrued on such amounts); third, to the principal amount of the Obligations outstanding; and fourth, to any other indebtedness or obligations of Borrower owing to Collateral Agent or any Lender under the Loan Documents. Any balance remaining shall be delivered to Borrower or to whoever may be lawfully entitled to receive such balance or as a court of competent jurisdiction may direct. In carrying out the foregoing, (x) amounts received shall be applied in the numerical order provided until exhausted prior to the application to the next succeeding category, and (y) each of the Persons entitled to receive a payment in any particular category shall receive an amount equal to its pro rata share of amounts available to be applied pursuant thereto for such category. Any reference in this Agreement to an allocation between or sharing by the Lenders of any right, interest or obligation "ratably," "proportionally" or in similar terms shall refer to Pro Rata Share unless expressly provided otherwise. Collateral Agent, or if applicable, each Lender, shall promptly remit to the other Lenders such sums as may be necessary to ensure the ratable repayment of each Lender's portion of any Term Loan and the ratable distribution of interest, fees and reimbursements paid or made by Borrower. Notwithstanding the foregoing, a Lender receiving a scheduled payment shall not be responsible for determining whether the other Lenders also received their scheduled payment on such date; provided, however, if it is later determined that a Lender received more than its ratable share of scheduled payments made on any date or dates, then such Lender shall remit to Collateral Agent or other Lenders such sums as may be necessary to ensure the ratable payment of such scheduled payments, as instructed by Collateral Agent. If any payment or distribution of any kind or character, whether in cash, properties or securities, shall be received by a Lender in excess of its ratable share, then the portion of such payment or distribution in excess of such Lender's ratable share shall be received by such Lender in trust for and shall be promptly paid over to the other Lender for application to the payments of amounts due on the other Lenders' claims. To the extent any payment for the account of Borrower is required to be returned as a voidable transfer or otherwise, the Lenders shall contribute to one another as is necessary to ensure that such return of payment is on a pro rata basis. If any Lender shall obtain possession of any Collateral, it shall hold such Collateral for itself and as agent and bailee for Collateral Agent and other Lenders for purposes of perfecting Collateral Agent's security interest therein.

**9.5 Liability for Collateral.** So long as Collateral Agent and the Lenders comply with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Collateral Agent and the Lenders, Collateral Agent and the Lenders shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

**9.6 No Waiver; Remedies Cumulative.** Failure by Collateral Agent or any Lender, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Collateral Agent or any Lender thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by Collateral Agent and the Required Lenders and then is only effective for the specific instance and purpose for which it is given. The rights and remedies of Collateral Agent and the Lenders under this Agreement and the other Loan Documents are cumulative. Collateral Agent and the Lenders have all rights and remedies provided under the Code, any applicable law, by law, or in equity. The exercise by Collateral Agent or any Lender of one right or remedy is

not an election, and Collateral Agent's or any Lender's waiver of any Event of Default is not a continuing waiver. Collateral Agent's or any Lender's delay in exercising any remedy is not a waiver, election, or acquiescence.

**9.7 Demand Waiver.** Borrower waives, to the fullest extent permitted by law, demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Collateral Agent or any Lender on which Borrower or any Subsidiary is liable.

## **10. NOTICES**

All notices, consents, requests, approvals, demands, or other communication (collectively, "**Communication**") by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail (with return receipt confirmation) or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Any of Collateral Agent, Lender or Borrower may change its mailing address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower: SYNDAX PHARMACEUTICALS, INC.  
400 Totten Pond Road, Suite 110  
Waltham, MA 02451  
Attn: Bob Goodenow  
Fax: (781) 419-1420  
Email: bgoodenow@syndax.com

with a copy (which shall not constitute notice) to: Hogan Lovells US LLP  
4085 Campbell Ave., Suite 100  
Menlo Park, CA 94025  
Attn: Laura Berezin  
Fax: (650) 463-4199  
Email: laura.berezin@hoganlovells.com

If to Collateral Agent and the Lender: SOLAR CAPITAL LTD.  
500 Park Avenue, 3rd Floor  
New York, NY 10022  
Attention: Anthony Storino  
Fax: (212) 993-1698  
Email: storino@solarcapltd.com

with a copy (which shall not constitute notice) to: LATHAM & WATKINS LLP  
505 Montgomery Street, Suite 2000  
San Francisco, CA 94111  
Attention: Haim Zaltzman  
Facsimile: (415) 395-8095  
Email: haim.zaltzman@lw.com

## **11. CHOICE OF LAW, VENUE AND JURY TRIAL WAIVER**

**11.1 Waiver of Jury Trial.** EACH OF BORROWER, COLLATERAL AGENT AND LENDERS UNCONDITIONALLY WAIVES ANY AND ALL RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OF THE OTHER LOAN DOCUMENTS, ANY OF THE INDEBTEDNESS SECURED HEREBY, ANY DEALINGS AMONG



BORROWER, COLLATERAL AGENT AND/OR LENDERS RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED AMONG BORROWER, COLLATERAL AGENT AND/OR LENDERS. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. THIS WAIVER IS IRREVOCABLE. THIS WAIVER MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING. THE WAIVER ALSO SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THIS TRANSACTION OR ANY RELATED TRANSACTION. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

### **11.2 Governing Law and Jurisdiction.**

(a) GOVERNING LAW. THIS AGREEMENT, THE OTHER LOAN DOCUMENTS (EXCLUDING THOSE LOAN DOCUMENTS THAT BY THEIR OWN TERMS ARE EXPRESSLY GOVERNED BY THE LAWS OF ANOTHER JURISDICTION) AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE COLLATERAL, PROVIDED, HOWEVER, THAT IF THE LAWS OF ANY JURISDICTION OTHER THAN NEW YORK SHALL GOVERN IN REGARD TO THE VALIDITY, PERFECTION OR EFFECT OF PERFECTION OF ANY LIEN OR IN REGARD TO PROCEDURAL MATTERS AFFECTING ENFORCEMENT OF ANY LIENS IN COLLATERAL, SUCH LAWS OF SUCH OTHER JURISDICTIONS SHALL CONTINUE TO APPLY TO THAT EXTENT.

(b) Submission to Jurisdiction. Any legal action or proceeding with respect to the Loan Documents shall be brought exclusively in the courts of the State of New York located in the City of New York, Borough of Manhattan, or of the United States of America for the Southern District of New York and, by execution and delivery of this Agreement, Borrower hereby accepts for itself and in respect of its Property, generally and unconditionally, the jurisdiction of the aforesaid courts. Notwithstanding the foregoing, Collateral Agent and Lenders shall have the right to bring any action or proceeding against Borrower (or any property of Borrower) in the court of any other jurisdiction Collateral Agent or Lenders deem necessary or appropriate in order to realize on the Collateral or other security for the Obligations. The parties hereto hereby irrevocably waive any objection, including any objection to the laying of venue or based on the grounds of *forum non conveniens*, that any of them may now or hereafter have to the bringing of any such action or proceeding in such jurisdictions.

(c) Service of Process. Borrower irrevocably waives personal service of any and all legal process, summons, notices and other documents and other service of process of any kind and consents to such service in any suit, action or proceeding brought in the United States of America with respect to or otherwise arising out of or in connection with any Loan Document by any means permitted by applicable requirements of law, including by the mailing thereof (by registered or certified mail, postage prepaid) to the address of Borrower specified herein (and shall be effective when such mailing shall be effective, as provided therein). Borrower agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(d) Non-exclusive Jurisdiction. Nothing contained in this Section 11.2 shall affect the right of Collateral Agent or Lenders to serve process in any other manner permitted by applicable requirements of law or commence legal proceedings or otherwise proceed against Borrower in any other jurisdiction.

## **12. GENERAL PROVISIONS**

**12.1 Successors and Assigns.** This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not transfer, pledge or assign this Agreement or any rights or obligations under it without Collateral Agent's prior written consent (which may be granted or withheld in Collateral Agent's discretion, subject to Section 12.5). The Lenders have the right, without the consent of or notice to

Borrower, to sell, transfer, assign, pledge, negotiate, or grant participation in (**any** such sale, transfer, assignment, negotiation, or grant of a participation, a “**Lender Transfer**”) all or any part of, or any interest in, the Lenders’ obligations, rights, and benefits under this Agreement and the other Loan Documents.

**12.2 Indemnification.** Borrower agrees to indemnify, defend and hold Collateral Agent and the Lenders and their respective directors, officers, employees, consultants, agents, attorneys, or any other Person affiliated with or representing Collateral Agent or the Lenders (each, an “**Indemnified Person**”) harmless against: (a) all obligations, demands, claims, and liabilities (collectively, “**Claims**”) asserted by any other party in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents; and (b) all losses or Lenders’ Expenses incurred, or paid by an Indemnified Person in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents between Collateral Agent, and/or the Lenders and Borrower (including reasonable attorneys’ fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person’s gross negligence or willful misconduct. Borrower hereby further indemnifies, defends and holds each Indemnified Person harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the fees and disbursements of counsel for such Indemnified Person) in connection with any investigative, response, remedial, administrative or judicial matter or proceeding, whether or not such Indemnified Person shall be designated a party thereto and including any such proceeding initiated by or on behalf of Borrower, and the reasonable expenses of investigation by engineers, environmental consultants and similar technical personnel and any commission, fee or compensation claimed by any broker (other than any broker retained by Collateral Agent or Lenders) asserting any right to payment for the transactions contemplated hereby which may be imposed on, incurred by or asserted against such Indemnified Person as a result of or in connection with the transactions contemplated hereby and the use or intended use of the proceeds of the loan proceeds except for liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements directly caused by such Indemnified Person’s gross negligence or willful misconduct.

**12.3 Severability of Provisions.** Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

**12.4 Correction of Loan Documents.** Collateral Agent may correct patent errors and fill in any blanks in this Agreement and the other Loan Documents consistent with the agreement of the parties.

**12.5 Amendments in Writing; Integration.** (a) No amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document, no approval or consent thereunder, or any consent to any departure by Borrower or any of its Subsidiaries therefrom, shall in any event be effective unless the same shall be in writing and signed by Borrower, Collateral Agent and the Required Lenders provided that:

(i) no such amendment, waiver or other modification that would have the effect of increasing or reducing a Lender’s Term Loan Commitment or Commitment Percentage shall be effective as to such Lender without such Lender’s written consent;

(ii) no such amendment, waiver or modification that would affect the rights and duties of Collateral Agent shall be effective without Collateral Agent’s written consent or signature; and

(iii) no such amendment, waiver or other modification shall, unless signed by all the Lenders directly affected thereby, (A) reduce the principal of, rate of interest on or any fees with respect to any Term Loan or forgive any principal, interest (other than default interest) or fees (other than late charges) with respect to any Term Loan (B) postpone the date fixed for, or waive, any payment of principal of any Term Loan or of interest on any Term Loan (other than default interest) or any fees provided for hereunder (other than late charges or for any termination of any commitment); (C) change the definition of the term “Required Lenders” or the percentage of Lenders which shall be required for the Lenders to take any action hereunder; (D) release all or substantially all of any material portion of the Collateral, authorize Borrower to sell or otherwise dispose of all or substantially all or any material portion of the Collateral or release any Guarantor of all or any portion of the Obligations or its guaranty obligations with respect thereto, except, in each case with respect to this clause (D), as otherwise may be expressly permitted under this Agreement or the other Loan Documents (including in connection with any disposition

permitted hereunder); (E) amend, waive or otherwise modify this Section 12.5 or the definitions of the terms used in this Section 12.5 insofar as the definitions affect the substance of this Section 12.5; (F) consent to the assignment, delegation or other transfer by Borrower of any of its rights and obligations under any Loan Document or release Borrower of its payment obligations under any Loan Document, except, in each case with respect to this clause (F), pursuant to a merger or consolidation permitted pursuant to this Agreement; (G) amend any of the provisions of Section 9.4 or amend any of the definitions of Pro Rata Share, Term Loan Commitment, Commitment Percentage or that provide for the Lenders to receive their Pro Rata Shares of any fees, payments, setoffs or proceeds of Collateral hereunder; or (H) subordinate the Liens granted in favor of Collateral Agent securing the Obligations. It is hereby understood and agreed that all Lenders shall be deemed directly affected by an amendment, waiver or other modification of the type described in the preceding clauses (C), (D), (E), (F), (G) and (H) of the immediately preceding sentence.

(b) Other than as expressly provided for in Section 12.5(a)(i)-(iii), Collateral Agent may at its discretion, or if requested by the Required Lenders, from time to time designate covenants in this Agreement less restrictive by notification to a representative of Borrower.

(c) This Agreement and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements with respect to such subject matter. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Agreement and the Loan Documents merge into this Agreement and the Loan Documents.

**12.6 Counterparts; Facsimile Copies.** This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement. Delivery of an executed signature page to this Agreement by facsimile or electronic transmission shall be effective as delivery of a manually signed counterpart of this Agreement.

**12.7 Survival.** All covenants, representations and warranties made in this Agreement continue in full force and effect until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) have been paid in full and the Lenders have no further obligation to lend hereunder. The obligation of Borrower in Section 12.2 to indemnify each Lender and Collateral Agent, as well as the confidentiality provisions in Section 12.8 below, shall survive until the statute of limitations with respect to such claim or cause of action shall have run.

**12.8 Confidentiality.** In handling any confidential information of Borrower, the Lenders and Collateral Agent shall exercise the same degree of care that it exercises for their own proprietary information, but disclosure of information may be made: (a) subject to the terms and conditions of this Agreement, to the Lenders' and Collateral Agent's Subsidiaries or Affiliates, or in connection with a Lender's own financing or securitization transactions and upon the occurrence of a default, event of default or similar occurrence with respect to such financing or securitization transaction (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information or will be subject to customary confidentiality obligations of professional practice or agree to treat the information as confidential); (b) to prospective transferees (other than those identified in (a) above) or purchasers of any interest in the Term Loans (provided, however, the Lenders and Collateral Agent shall obtain such prospective transferee's or purchaser's agreement to the terms of this provision or to similar confidentiality terms); (c) as required by law, regulation, subpoena, legal process or other order; (d) to Lenders' or Collateral Agent's regulators or as otherwise required in connection with an examination or audit; (e) as Collateral Agent reasonably considers appropriate in exercising remedies under the Loan Documents; and (f) to any Affiliate, officer, director, employee, agent or advisor of Collateral Agent or a Lender, including, without limitation, legal counsel, accountants, and other professional advisors of Collateral Agent or the Lenders, in each case on a need-to-know basis (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information or will be subject to customary confidentiality obligations of professional practice or agree to treat the information as confidential). Confidential information does not include information that either: (i) is in the public domain or in the Lenders' and/or Collateral Agent's possession when disclosed to the Lenders and/or Collateral Agent, or becomes part of the public domain after disclosure to the Lenders and/or Collateral Agent at no fault of the Lenders or the Collateral Agent; or (ii) is disclosed to the Lenders and/or

Collateral Agent by a third party, if the Lenders and/or Collateral Agent does not know that the third party is prohibited from disclosing the information. Collateral Agent and the Lenders may use confidential information for any purpose, including, without limitation, for the development of client databases, reporting purposes, and market analysis, so long as Lenders and the Collateral Agent do not, directly or indirectly, disclose Borrower's identity or the identity of any person associated with Borrower unless otherwise expressly permitted by this Agreement. The provisions of the immediately preceding sentence shall survive the termination of this Agreement. The agreements provided under this Section 12.8 supersede all prior agreements, understanding, representations, warranties, and negotiations between the parties about the subject matter of this Section 12.8.

**12.9 Right of Set Off.** Borrower hereby grants to Collateral Agent and to each Lender, a lien, security interest and right of set off as security for all Obligations to Collateral Agent and each Lender hereunder, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Collateral Agent or the Lenders or any entity under the control of Collateral Agent or the Lenders (including a Collateral Agent affiliate) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Collateral Agent or the Lenders may set off the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmaturing and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE COLLATERAL AGENT TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED BY BORROWER.

**12.10 Cooperation of Borrower.** If necessary, Borrower agrees to (i) execute any documents reasonably required to effectuate and acknowledge each assignment of a Term Loan Commitment or Term Loan to an assignee in accordance with Section 12.1, (ii) make Borrower's management available to meet with Collateral Agent and prospective participants and assignees of Term Loan Commitments (which meetings shall be conducted no more often than twice every twelve months unless an Event of Default has occurred and is continuing), and (iii) assist Collateral Agent or the Lenders in the preparation of information relating to the financial affairs of Borrower as any prospective participant or assignee of a Term Loan Commitment or Term Loan reasonably may request. Subject to the provisions of Section 12.8, Borrower authorizes each Lender to disclose to any prospective participant or assignee of a Term Loan Commitment, any and all information in such Lender's possession concerning Borrower and its financial affairs which has been delivered to such Lender by or on behalf of Borrower pursuant to this Agreement, or which has been delivered to such Lender by or on behalf of Borrower in connection with such Lender's credit evaluation of Borrower prior to entering into this Agreement (provided, however, Lenders and Collateral Agent shall obtain such prospective participant's or assignee's agreement to the terms of Section 12.8 prior to any such disclosure).

**12.11 Public Announcement.** Borrower hereby agrees that Collateral Agent and each Lender, after consultation with Borrower (including Borrower having the opportunity to review and press release or similar public announcement), may make a public announcement of the transactions contemplated by this Agreement, and may publicize the same in marketing materials, newspapers and other publications, and otherwise, and in connection therewith may use Borrower's name, trade names and logos; provided, however, if Borrower is a publicly reporting entity under the Securities Exchange Act of 1934, neither the Collateral Agent or any Lender will make any public announcement prior to the transaction being disclosed by Borrower under regulations promulgated under the Securities Act of 1933 or Securities Exchange Act of 1934, as each may be amended, and any public announcement or publicity relating to the transaction will be consistent with Borrower's disclosure. Notwithstanding the foregoing, such consultation with Borrower shall not be required for any disclosures by Collateral Agent or the Lenders required by the Securities and Exchange Commission or other governmental agency and any other public disclosure with investors, other governmental agencies or other related persons.

**12.12 Collateral Agent and Lender Agreement.** Collateral Agent and the Lenders hereby agree to the terms and conditions set forth on Exhibit B attached hereto. Borrower acknowledges and agrees to the terms and conditions set forth on Exhibit B attached hereto.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

**BORROWER:**

SYNDAX PHARMACEUTICALS, INC.

By  /s/ John S. Pallies  
Name: John S. Pallies  
Title: Chief Financial Officer

**COLLATERAL AGENT AND LENDER:**

SOLAR CAPITAL LTD.

By  /s/ Anthony Storino  
Name: Anthony Storino  
Title: Authorized Signatory

***[Signature Page to Loan and Security Agreement]***

**SCHEDULE 1.1**

**Lenders and Commitments**

**Term A Loans**

<b>Lender</b>	<b>Term Loan Commitment</b>	<b>Commitment Percentage</b>
Solar Capital Ltd.	\$ 5,000,000	100.00%
<b>TOTAL</b>	<b>\$ 5,000,000</b>	<b>100.00%</b>

**Term B Loans**

<b>Lender</b>	<b>Term Loan Commitment</b>	<b>Commitment Percentage</b>
Solar Capital Ltd.	\$ 10,000,000	100.00%
<b>TOTAL</b>	<b>\$ 10,000,000</b>	<b>100.00%</b>

**Aggregate (all Term Loans)**

<b>Lender</b>	<b>Term Loan Commitment</b>	<b>Commitment Percentage</b>
Solar Capital Ltd.	\$ 15,000,000	100.00%
<b>TOTAL</b>	<b>\$ 15,000,000</b>	<b>100.00%</b>

**EXHIBIT A**

**Description of Collateral**

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as noted below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts and other Collateral Accounts, all certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

All Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (a) more than 65% of the presently existing and hereafter arising issued and outstanding shares of capital stock owned by Borrower of any Foreign Subsidiary which shares entitle the holder thereof to vote for directors or any other matter, (b) any interest of Borrower as a lessee or sublessee under a real property lease; (c) rights held under a license that are not assignable by their terms without the consent of the licensor thereof (but only to the extent such restriction on assignment is enforceable under applicable law); (d) any interest of Borrower as a lessee under an Equipment lease if Borrower is prohibited by the terms of such lease from granting a security interest in such lease or under which such an assignment or Lien would cause a default to occur under such lease; provided, however, that upon termination of such prohibition, such interest shall immediately become Collateral without any action by Borrower or Bank; (e) any Intellectual Property or (f) any Excluded Account; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property. If a judicial authority (including a U.S. Bankruptcy Court) would hold that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts and such property that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property to the extent necessary to permit perfection of Collateral Agent's security interest in such Accounts and such other property of Borrower that are proceeds of the Intellectual Property.



## EXHIBIT B

### Collateral Agent and Lender Terms

#### **1. Appointment of Collateral Agent.**

(a) Each Lender hereby appoints SolarCap (together with any successor Collateral Agent pursuant to Section 1.7 of this Exhibit B) as Collateral Agent under the Loan Documents and authorizes Collateral Agent to (i) execute and deliver the Loan Documents and accept delivery thereof on its behalf from Borrower, (ii) take such action on its behalf and to exercise all rights, powers and remedies and perform the duties as are expressly delegated to Collateral Agent under such Loan Documents and (iii) exercise such powers as are reasonably incidental thereto.

(b) Without limiting the generality of clause (a) above, Collateral Agent shall have the sole and exclusive right and authority (to the exclusion of the Lenders), and is hereby authorized, to (i) act as the disbursing and collecting agent for the Lenders with respect to all payments and collections arising in connection with the Loan Documents (including in any other bankruptcy, insolvency or similar proceeding), and each Person making any payment in connection with any Loan Document to any Lender is hereby authorized to make such payment to Collateral Agent, (ii) file and prove claims and file other documents necessary or desirable to allow the claims of Collateral Agent and Lenders with respect to any Obligation in any bankruptcy, insolvency or similar proceeding (but not to vote, consent or otherwise act on behalf of such Lender), (iii) act as collateral agent for Collateral Agent and each Lender for purposes of the perfection of all Liens created by the Loan Documents and all other purposes stated therein, (iv) manage, supervise and otherwise deal with the Collateral, (v) take such other action as is necessary or desirable to maintain the perfection and priority of the Liens created or purported to be created by the Loan Documents, (vi) except as may be otherwise specified in any Loan Document, exercise all remedies given to Collateral Agent and the other Lenders with respect to the Borrower and/or the Collateral, whether under the Loan Documents, applicable Requirements of Law or otherwise and (vii) execute any amendment, consent or waiver under the Loan Documents on behalf of any Lender that has consented in writing to such amendment, consent or waiver; provided, however, that Collateral Agent hereby appoints, authorizes and directs each Lender to act as collateral sub-agent for Collateral Agent and the Lenders for purposes of the perfection of all Liens with respect to the Collateral, including any Deposit Account maintained by Borrower with, and cash and Cash Equivalents held by, such Lender, and may further authorize and direct the Lenders to take further actions as collateral sub-agents for purposes of enforcing such Liens or otherwise to transfer the Collateral subject thereto to Collateral Agent, and each Lender hereby agrees to take such further actions to the extent, and only to the extent, so authorized and directed. Collateral Agent may, upon any term or condition it specifies, delegate or exercise any of its rights, powers and remedies under, and delegate or perform any of its duties or any other action with respect to, any Loan Document by or through any trustee, co-agent, employee, attorney-in-fact and any other Person (including any Lender). Any such Person shall benefit from this Exhibit B to the extent provided by Collateral Agent.

(c) Under the Loan Documents, Collateral Agent (i) is acting solely on behalf of the Lenders, with duties that are entirely administrative in nature, notwithstanding the use of the defined term "Collateral Agent", the terms "agent", "Collateral Agent" and "collateral agent" and similar terms in any Loan Document to refer to Collateral Agent, which terms are used for title purposes only, (ii) is not assuming any obligation under any Loan Document other than as expressly set forth therein or any role as agent, fiduciary or trustee of or for any Lender or any other Person and (iii) shall have no implied functions, responsibilities, duties, obligations or other liabilities under any Loan Document, and each Lender, by accepting the benefits of the Loan Documents, hereby waives and agrees not to assert any claim against Collateral Agent based on the roles, duties and legal relationships expressly disclaimed in clauses (i) through (iii) above. Except as expressly set forth in the Loan Documents, Collateral Agent shall not have any duty to disclose, and shall not be liable for failure to disclose, any information relating to Borrower or any of its Subsidiaries that is communicated to or obtained by SolarCap or any of its Affiliates in any capacity.

#### **2. Binding Effect; Use of Discretion; E-Systems.**

(a) Each Lender, by accepting the benefits of the Loan Documents, agrees that (i) any action taken by Collateral Agent or Required Lenders (or, if expressly required in any Loan Document, a greater proportion

of the Lenders) in accordance with the provisions of the Loan Documents, (ii) any action taken by Collateral Agent in reliance upon the instructions of Required Lenders (or, where so required, such greater proportion) and (iii) the exercise by Collateral Agent or Required Lenders (or, where so required, such greater proportion) of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of Lenders.

(b) If Collateral Agent shall request instructions from Required Lenders or all affected Lenders with respect to any act or action (including failure to act) in connection with any Loan Document, then Collateral Agent shall be entitled to refrain from such act or taking such action unless and until Collateral Agent shall have received instructions from Required Lenders or all affected Lenders, as the case may be, and Collateral Agent shall not incur liability to any Person by reason of so refraining. Collateral Agent shall be fully justified in failing or refusing to take any action under any Loan Document (i) if such action would, in the opinion of Collateral Agent, be contrary to any Requirement of Law or any Loan Document, (ii) if such action would, in the opinion of Collateral Agent, expose Collateral Agent to any potential liability under any Requirement of Law or (iii) if Collateral Agent shall not first be indemnified to its satisfaction against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Without limiting the foregoing, no Lender shall have any right of action whatsoever against Collateral Agent as a result of Collateral Agent acting or refraining from acting under any Loan Document in accordance with the instructions of Required Lenders or all affected Lenders, as applicable.

(c) Collateral Agent is hereby authorized by Borrower and each Lender to establish procedures (and to amend such procedures from time to time) to facilitate administration and servicing of the Term Loans and other matters incidental thereto. Without limiting the generality of the foregoing, Collateral Agent is hereby authorized to establish procedures to make available or deliver, or to accept, notices, documents (including, without limitation, borrowing base certificates) and similar items on, by posting to or submitting and/or completion, on E-Systems. Borrower and each Lender acknowledges and agrees that the use of transmissions via an E-System or electronic mail is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse, and Borrower and each Lender assumes and accepts such risks by hereby authorizing the transmission via E-Systems or electronic mail. Each "e-signature" on any such posting shall be deemed sufficient to satisfy any requirement for a "signature", and each such posting shall be deemed sufficient to satisfy any requirement for a "writing", in each case including pursuant to any Loan Document, any applicable provision of any Code, the federal Uniform Electronic Transactions Act, the Electronic Signatures in Global and National Commerce Act and any substantive or procedural Requirement of Law governing such subject matter. All uses of an E-System shall be governed by and subject to, in addition to this Section, the separate terms, conditions and privacy policy posted or referenced in such E-System (or such terms, conditions and privacy policy as may be updated from time to time, including on such E-System) and related contractual obligations executed by Collateral Agent, Borrower and/or Lenders in connection with the use of such E-System. ALL E-SYSTEMS AND ELECTRONIC TRANSMISSIONS SHALL BE PROVIDED "AS IS" AND "AS AVAILABLE". NO REPRESENTATION OR WARRANTY OF ANY KIND IS MADE BY AGENT, ANY LENDER OR ANY OF THEIR RELATED PERSONS IN CONNECTION WITH ANY E-SYSTEMS.

**3. Collateral Agent's Reliance, Etc.** Collateral Agent may, without incurring any liability hereunder, (a) consult with any of its Related Persons and, whether or not selected by it, any other advisors, accountants and other experts (including advisors to, and accountants and experts engaged by, Borrower) and (b) rely and act upon any document and information (including those transmitted by electronic transmission) and any telephone message or conversation, in each case believed by it to be genuine and transmitted, signed or otherwise authenticated by the appropriate parties. None of Collateral Agent and its Related Persons shall be liable for any action taken or omitted to be taken by any of them under or in connection with any Loan Document, and each Lender and Borrower hereby waives and shall not assert (and Borrower shall cause its Subsidiaries to waive and agree not to assert) any right, claim or cause of action based thereon, except to the extent of liabilities resulting from the gross negligence or willful misconduct of Collateral Agent or, as the case may be, such Related Person (each as determined in a final, non-appealable judgment of a court of competent jurisdiction) in connection with the duties of Collateral Agent expressly set forth herein. Without limiting the foregoing, Collateral Agent: (i) shall not be responsible or otherwise incur liability for any action or omission taken in reliance upon the instructions of the Required Lenders or for the actions or omissions of any of its Related Persons, except to the extent that a court of competent jurisdiction determines in a final non-appealable judgment that Collateral Agent acted with gross

negligence or willful misconduct in the selection of such Related Person; (ii) shall not be responsible to any Lender or other Person for the due execution, legality, validity, enforceability, effectiveness, genuineness, sufficiency or value of, or the attachment, perfection or priority of any Lien created or purported to be created under or in connection with, any Loan Document; (iii) makes no warranty or representation, and shall not be responsible, to any Lender or other Person for any statement, document, information, representation or warranty made or furnished by or on behalf of Borrower or any Related Person of Borrower in connection with any Loan Document or any transaction contemplated therein or any other document or information with respect to Borrower, whether or not transmitted or (except for documents expressly required under any Loan Document to be transmitted to the Lenders) omitted to be transmitted by Collateral Agent, including as to completeness, accuracy, scope or adequacy thereof, or for the scope, nature or results of any due diligence performed by Collateral Agent in connection with the Loan Documents; and (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any provision of any Loan Document, whether any condition set forth in any Loan Document is satisfied or waived, as to the financial condition of Borrower or as to the existence or continuation or possible occurrence or continuation of any Event of Default, and shall not be deemed to have notice or knowledge of such occurrence or continuation unless it has received a notice from Borrower or any Lender describing such Event of Default that is clearly labeled "notice of default" (in which case Collateral Agent shall promptly give notice of such receipt to all Lenders, provided that Collateral Agent shall not be liable to any Lender for any failure to do so, except to the extent that such failure is attributable to Collateral Agent's gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction); and, for each of the items set forth in clauses (i) through (iv) above, each Lender and Borrower hereby waives and agrees not to assert (and Borrower shall cause its Subsidiaries to waive and agree not to assert) any right, claim or cause of action it might have against Collateral Agent based thereon.

**4. Collateral Agent Individually.** Collateral Agent and its Affiliates may make loans and other extensions of credit to, acquire stock and stock equivalents of, engage in any kind of business with, Borrower or any Affiliate of Borrower as though it were not acting as Collateral Agent and may receive separate fees and other payments therefor. To the extent Collateral Agent or any of its Affiliates makes any Term Loans or otherwise becomes a Lender hereunder, it shall have and may exercise the same rights and powers hereunder and shall be subject to the same obligations and liabilities as any other Lender and the terms "Lender", "Required Lender" and any similar terms shall, except where otherwise expressly provided in any Loan Document, include, without limitation, Collateral Agent or such Affiliate, as the case may be, in its individual capacity as Lender, or as one of the Required Lenders.

**5. Lender Credit Decision; Collateral Agent Report.** Each Lender acknowledges that it shall, independently and without reliance upon Collateral Agent, any Lender or any of their Related Persons or upon any document solely or in part because such document was transmitted by Collateral Agent or any of its Related Persons, conduct its own independent investigation of the financial condition and affairs of Borrower and make and continue to make its own credit decisions in connection with entering into, and taking or not taking any action under, any Loan Document or with respect to any transaction contemplated in any Loan Document, in each case based on such documents and information as it shall deem appropriate. Except for documents expressly required by any Loan Document to be transmitted by Collateral Agent to the Lenders, Collateral Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, Property, financial and other condition or creditworthiness of Borrower or any Affiliate of Borrower that may come in to the possession of Collateral Agent or any of its Related Persons. Each Lender agrees that it shall not rely on any field examination, audit or other report provided by Collateral Agent or its Related Persons (an "**Collateral Agent Report**"). Each Lender further acknowledges that any Collateral Agent Report (a) is provided to the Lenders solely as a courtesy, without consideration, and based upon the understanding that such Lender will not rely on such Collateral Agent Report, (b) was prepared by Collateral Agent or its Related Persons based upon information provided by Borrower solely for Collateral Agent's own internal use, and (c) may not be complete and may not reflect all information and findings obtained by Collateral Agent or its Related Persons regarding the operations and condition of Borrower. Neither Collateral Agent nor any of its Related Persons makes any representations or warranties of any kind with respect to (i) any existing or proposed financing, (ii) the accuracy or completeness of the information contained in any Collateral Agent Report or in any related documentation, (iii) the scope or adequacy of Collateral Agent's and its Related Persons' due diligence, or the presence or absence of any errors or omissions contained in any Collateral Agent Report or in any related documentation, and (iv) any work performed by Collateral Agent or Collateral Agent's Related Persons in connection with or using any Collateral

Agent Report or any related documentation. Neither Collateral Agent nor any of its Related Persons shall have any duties or obligations in connection with or as a result of any Lender receiving a copy of any Collateral Agent Report. Without limiting the generality of the forgoing, neither Collateral Agent nor any of its Related Persons shall have any responsibility for the accuracy or completeness of any Collateral Agent Report, or the appropriateness of any Collateral Agent Report for any Lender's purposes, and shall have no duty or responsibility to correct or update any Collateral Agent Report or disclose to any Lender any other information not embodied in any Collateral Agent Report, including any supplemental information obtained after the date of any Collateral Agent Report. Each Lender releases, and agrees that it will not assert, any claim against Collateral Agent or its Related Persons that in any way relates to any Collateral Agent Report or arises out of any Lender having access to any Collateral Agent Report or any discussion of its contents, and agrees to indemnify and hold harmless Collateral Agent and its Related Persons from all claims, liabilities and expenses relating to a breach by any Lender arising out of such Lender's access to any Collateral Agent Report or any discussion of its contents.

**6. Indemnification.** Each Lender agrees to reimburse Collateral Agent and each of its Related Persons (to the extent not reimbursed by Borrower as required under the Loan Documents) promptly upon demand for its Pro Rata Share of any out-of-pocket costs and expenses (including, without limitation, fees, charges and disbursements of financial, legal and other advisors and any taxes or insurance paid in the name of, or on behalf of, Borrower) incurred by Collateral Agent or any of its Related Persons in connection with the preparation, syndication, execution, delivery, administration, modification, amendment, consent, waiver or enforcement of, or the taking of any other action (whether through negotiations, through any work-out, bankruptcy, restructuring or other legal or other proceeding (including, without limitation, preparation for and/or response to any subpoena or request for document production relating thereto) or otherwise) in respect of, or legal advice with respect to, its rights or responsibilities under, any Loan Document. Each Lender further agrees to indemnify Collateral Agent and each of its Related Persons (to the extent not reimbursed by Borrower as required under the Loan Documents), ratably according to its Pro Rata Share, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including, to the extent not indemnified by the applicable Lender, taxes, interests and penalties imposed for not properly withholding or backup withholding on payments made to or for the account of any Lender) that may be imposed on, incurred by, or asserted against Collateral Agent or any of its Related Persons in any matter relating to or arising out of, in connection with or as a result of any Loan Document or any other act, event or transaction related, contemplated in or attendant to any such document, or, in each case, any action taken or omitted to be taken by Collateral Agent or any of its Related Persons under or with respect to the foregoing; provided that no Lender shall be liable to Collateral Agent or any of its Related Persons under this Section 6 of this Exhibit B to the extent such liability has resulted from the gross negligence or willful misconduct of Collateral Agent or, as the case may be, such Related Person, as determined by a final non-appealable judgment of a court of competent jurisdiction. To the extent required by any applicable Requirement of Law, Collateral Agent may withhold from any payment to any Lender under a Loan Document an amount equal to any applicable withholding tax. If the Internal Revenue Service or any other Governmental Authority asserts a claim that Collateral Agent did not properly withhold tax from amounts paid to or for the account of any Lender for any reason, or if Collateral Agent reasonably determines that it was required to withhold taxes from a prior payment to or for the account of any Lender but failed to do so, such Lender shall promptly indemnify Collateral Agent fully for all amounts paid, directly or indirectly, by Collateral Agent as tax or otherwise, including penalties and interest, and together with all expenses incurred by Collateral Agent. Collateral Agent may offset against any payment to any Lender under a Loan Document, any applicable withholding tax that was required to be withheld from any prior payment to such Lender but which was not so withheld, as well as any other amounts for which Collateral Agent is entitled to indemnification from such Lender under the immediately preceding sentence of this Section 6 of this Exhibit B.

**7. Successor Collateral Agent.** Collateral Agent may resign at any time by delivering notice of such resignation to the Lenders and Borrower, effective on the date set forth in such notice or, if no such date is set forth therein, upon the date such notice shall be effective, in accordance with the terms of this Section 7 of this Exhibit B. If Collateral Agent delivers any such notice, the Required Lenders shall have the right to appoint a successor Collateral Agent. If, after 30 days after the date of the retiring Collateral Agent's notice of resignation, no successor Collateral Agent has been appointed by the Required Lenders that has accepted such appointment, then the retiring Collateral Agent may, on behalf of the Lenders, appoint a successor Collateral Agent from among the Lenders. Effective immediately upon its resignation, (a) the retiring Collateral Agent shall be discharged from its duties and obligations under the Loan Documents, (b) the Lenders shall assume and perform all of the duties of

Collateral Agent until a successor Collateral Agent shall have accepted a valid appointment hereunder, (c) the retiring Collateral Agent and its Related Persons shall no longer have the benefit of any provision of any Loan Document other than with respect to any actions taken or omitted to be taken while such retiring Collateral Agent was, or because such Collateral Agent had been, validly acting as Collateral Agent under the Loan Documents, and (iv) subject to its rights under Section 2(b) of this Exhibit B, the retiring Collateral Agent shall take such action as may be reasonably necessary to assign to the successor Collateral Agent its rights as Collateral Agent under the Loan Documents. Effective immediately upon its acceptance of a valid appointment as Collateral Agent, a successor Collateral Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Collateral Agent under the Loan Documents.

**8. Release of Collateral.** Each Lender hereby consents to the release and hereby directs Collateral Agent to release (or in the case of clause (b)(ii) below, release or subordinate) the following:

(a) any Guarantor if all of the stock of such Subsidiary owned by Borrower is sold or transferred in a transaction permitted under the Loan Documents (including pursuant to a valid waiver or consent), to the extent that, after giving effect to such transaction, such Subsidiary would not be required to guaranty any Obligations pursuant to any Loan Document; and

(b) any Lien held by Collateral Agent for the benefit of itself and the Lenders against (i) any Collateral that is sold or otherwise disposed of by Borrower in a transaction permitted by the Loan Documents (including pursuant to a valid waiver or consent), (ii) any Collateral subject to a Lien that is expressly permitted under clause (c) of the definition of the term "Permitted Lien" and (iii) all of the Collateral and Borrower, upon (A) termination of all of the Commitments, (B) payment in full in cash of all of the Obligations that Collateral Agent has theretofore been notified in writing by the holder of such Obligation are then due and payable, and (C) to the extent requested by Collateral Agent, receipt by Collateral Agent and Lenders of liability releases from Borrower in form and substance reasonably acceptable to Collateral Agent (the satisfaction of the conditions in this clause (iii), the "**Termination Date**").

**9. Setoff and Sharing of Payments.** In addition to any rights now or hereafter granted under any applicable requirement of law and not by way of limitation of any such rights, upon the occurrence and during the continuance of any Event of Default and subject to Section 10(d) of this Exhibit B, each Lender is hereby authorized at any time or from time to time upon the direction of Collateral Agent, without notice to Borrower or any other Person, any such notice being hereby expressly waived, to setoff and to appropriate and to apply any and all balances held by it at any of its offices for the account of Borrower (regardless of whether such balances are then due to Borrower) and any other properties or assets at any time held or owing by that Lender or that holder to or for the credit or for the account of Borrower against and on account of any of the Obligations that are not paid when due. Any Lender exercising a right of setoff or otherwise receiving any payment on account of the Obligations in excess of its Pro Rata Share thereof shall purchase for cash (and the other Lenders or holders shall sell) such participations in each such other Lender's or holder's Pro Rata Share of the Obligations as would be necessary to cause such Lender to share the amount so offset or otherwise received with each other Lender or holder in accordance with their respective Pro Rata Shares of the Obligations. Borrower agrees, to the fullest extent permitted by law, that (a) any Lender may exercise its right to offset with respect to amounts in excess of its Pro Rata Share of the Obligations and may purchase participations in accordance with the preceding sentence and (b) any Lender so purchasing a participation in the Term Loans made or other Obligations held by other Lenders or holders may exercise all rights of offset, bankers' lien, counterclaim or similar rights with respect to such participation as fully as if such Lender or holder were a direct holder of the Term Loans and the other Obligations in the amount of such participation. Notwithstanding the foregoing, if all or any portion of the offset amount or payment otherwise received is thereafter recovered from the Lender that has exercised the right of offset, the purchase of participations by that Lender shall be rescinded and the purchase price restored without interest.

**10. Advances; Payments; Non-Funding Lenders; Actions in Concert.**

(a) Advances; Payments. If Collateral Agent receives any payment with respect to a Term Loan for the account of Lenders on or prior to 2:00 p.m. (New York time) on any Business Day, Collateral Agent shall pay to each applicable Lender such Lender's Pro Rata Share of such payment on such Business Day. If Collateral Agent receives any payment with respect to a Term Loan for the account of Lenders after 2:00 p.m. (New

York time) on any Business Day, Collateral Agent shall pay to each applicable Lender such Lender's Pro Rata Share of such payment on the next Business Day.

(b) Return of Payments.

(i) If Collateral Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by Collateral Agent from Borrower and such related payment is not received by Collateral Agent, then Collateral Agent will be entitled to recover such amount (including interest accruing on such amount at the rate otherwise applicable to such Obligation) from such Lender on demand without setoff, counterclaim or deduction of any kind.

(ii) If Collateral Agent determines at any time that any amount received by Collateral Agent under any Loan Document must be returned to Borrower or paid to any other Person pursuant to any insolvency law or otherwise, then, notwithstanding any other term or condition of any Loan Document, Collateral Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to Collateral Agent on demand any portion of such amount that Collateral Agent has distributed to such Lender, together with interest at such rate, if any, as Collateral Agent is required to pay to Borrower or such other Person, without setoff, counterclaim or deduction of any kind and Collateral Agent will be entitled to set off against future distributions to such Lender any such amounts (with interest) that are not repaid on demand.

(c) Non-Funding Lenders.

(i) Unless Collateral Agent shall have received notice from a Lender prior to the date of any Term Loan that such Lender will not make available to Collateral Agent such Lender's Pro Rata Share of such Term Loan, Collateral Agent may assume that such Lender will make such amount available to it on the date of such Term Loan in accordance with Section 2(b) of this Exhibit B, and Collateral Agent may (but shall not be obligated to), in reliance upon such assumption, make available a corresponding amount for the account of Borrower on such date. If and to the extent that such Lender shall not have made such amount available to Collateral Agent, such Lender and Borrower severally agree to repay to Collateral Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the day such amount is made available to Borrower until the day such amount is repaid to Collateral Agent, at a rate per annum equal to the interest rate applicable to the Obligation that would have been created when Collateral Agent made available such amount to Borrower had such Lender made a corresponding payment available. If such Lender shall repay such corresponding amount to Collateral Agent, the amount so repaid shall constitute such Lender's portion of such Term Loan for purposes of this Agreement.

(ii) To the extent that any Lender has failed to fund any Term Loan or any other payments required to be made by it under the Loan Documents after any such Term Loan is required to be made or such payment is due (a "**Non-Funding Lender**"), Collateral Agent shall be entitled to set off the funding short-fall against that Non-Funding Lender's Pro Rata Share of all payments received from Borrower. The failure of any Non-Funding Lender to make any Term Loan or any payment required by it hereunder shall not relieve any other Lender (each such other Lender, an "**Other Lender**") of its obligations to make such Term Loan, but neither any Other Lender nor Collateral Agent shall be responsible for the failure of any Non-Funding Lender to make such Term Loan or make any other payment required hereunder. Notwithstanding anything set forth herein to the contrary, a Non-Funding Lender shall not have any voting or consent rights under or with respect to any Loan Document or constitute a "Lender" (or be included in the calculation of "Required Lender" hereunder) for any voting or consent rights under or with respect to any Loan Document. At Borrower's request, Collateral Agent or a Person reasonably acceptable to Collateral Agent shall have the right with Collateral Agent's consent and in Collateral Agent's sole discretion (but Collateral Agent or any such Person shall have no obligation) to purchase from any Non-Funding Lender, and each Lender agrees that if it becomes a Non-Funding Lender it shall, at Collateral Agent's request, sell and assign to Collateral Agent or such Person, all of the Term Loan Commitment (if any), and all of the outstanding Term Loan of that Non-Funding Lender for an amount equal to the aggregate outstanding principal balance of the Term Loan held by such Non-Funding Lender and all accrued interest with respect thereto through the date of sale, such purchase and sale to be consummated pursuant to an executed assignment agreement in form and substance reasonably satisfactory to, and acknowledged by, Collateral Agent.

(d) Actions in Concert. Anything in this Agreement to the contrary notwithstanding, each Lender hereby agrees with each other Lender that no Lender shall take any action to protect or enforce its rights arising out of any Loan Document (including exercising any rights of setoff) without first obtaining the prior written consent of Collateral Agent or Required Lenders, it being the intent of Lenders that any such action to protect or enforce rights under any Loan Document shall be taken in concert and at the direction or with the consent of Collateral Agent or Required Lenders.

EXHIBIT C

Loan Payment Request Form

Fax To: \_\_\_\_\_ Date: \_\_\_\_\_

LOAN PAYMENT:

[ \_\_\_\_\_ ]

From Account # \_\_\_\_\_ (Deposit Account #) To Account # \_\_\_\_\_ (Loan Account #)

Principal \$ \_\_\_\_\_ and/or Interest \$ \_\_\_\_\_

Authorized Signature: \_\_\_\_\_ Phone Number: \_\_\_\_\_  
Print Name/Title: \_\_\_\_\_

LOAN ADVANCE:

Complete *Outgoing Wire Request* section below if all or a portion of the funds from this loan advance are for an outgoing wire.

From Account # \_\_\_\_\_ (Loan Account #) To Account # \_\_\_\_\_ (Deposit Account #)

Amount of Advance \$ \_\_\_\_\_

All Borrower's representations and warranties in the Loan and Security Agreement are true, correct and complete in all material respects on the date of the request for an advance; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date:

Authorized Signature: \_\_\_\_\_ Phone Number: \_\_\_\_\_  
Print Name/Title: \_\_\_\_\_

OUTGOING WIRE REQUEST:

Complete only if all or a portion of funds from the loan advance above is to be wired.

Beneficiary Name: \_\_\_\_\_ Amount of Wire: \$ \_\_\_\_\_  
Beneficiary Bank: \_\_\_\_\_ Account Number: \_\_\_\_\_  
City and State: \_\_\_\_\_

Beneficiary Bank Transit (ABA) #: \_\_\_\_\_ Beneficiary Bank Code (Swift, Sort, Chip, etc.): \_\_\_\_\_  
**(For International Wire Only)**

Intermediary Bank: \_\_\_\_\_ Transit (ABA) #: \_\_\_\_\_

For Further Credit to: \_\_\_\_\_

Special Instruction: \_\_\_\_\_

*By signing below, I (we) acknowledge and agree that my (our) funds transfer request shall be processed in accordance with and subject to the terms and conditions set forth in the agreements(s) covering funds transfer service(s), which agreements(s) were previously received and executed by me (us).*

Authorized Signature: \_\_\_\_\_ 2<sup>nd</sup> Signature (if required): \_\_\_\_\_  
Print Name/Title: \_\_\_\_\_ Print Name/Title: \_\_\_\_\_  
Telephone #: \_\_\_\_\_ Telephone #: \_\_\_\_\_



EXHIBIT D

**Compliance Certificate**

TO: SOLAR CAPITAL LTD., as Collateral Agent and Lender

FROM: SYNDAX PHARMACEUTICALS, INC., as Borrower

The undersigned authorized officer (“**Officer**”) of Syndax Pharmaceuticals, Inc. (“**Borrower**”), hereby certifies that in accordance with the terms and conditions of the Loan and Security Agreement dated as of June 13, 2014, by and among Borrower, Collateral Agent, and the Lenders from time to time party thereto (the “**Loan Agreement**,” capitalized terms used but not otherwise defined herein shall have the meanings given them in the Loan Agreement),

(a) Borrower is in complete compliance for the period ending \_\_\_\_\_ with all required covenants except as noted below;

(b) There are no Defaults or Events of Default, except as noted below;

(c) Except as noted below, all representations and warranties of Borrower stated in the Loan Documents are true and correct in all material respects on this date and for the period described in (a), above; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date.

(d) Borrower, and each of Borrower’s Subsidiaries, has timely filed all required tax returns and reports, Borrower, and each of Borrower’s Subsidiaries, has timely paid all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Borrower, or Subsidiary, except as otherwise permitted pursuant to the terms of Section 5.8 of the Loan Agreement;

(e) No Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Collateral Agent and the Lenders.

Attached are the required documents, if any, supporting our certification(s). The Officer, on behalf of Borrower, further certifies that the attached financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are consistently applied from one period to the next except as explained in an accompanying letter or footnotes and except, in the case of unaudited financial statements, for the absence of footnotes and subject to year-end and quarter-end audit adjustments as to the interim financial statements.

**Please indicate compliance status since the last Compliance Certificate by circling Yes, No, or N/A under “Complies” column.**

	Reporting Covenant	Requirement	Actual	Complies		
1)	Financial statements	Monthly within 30 days	Yes	No	N/A	
2)	Annual (CPA Audited) statements	Within 180 days after FYE	Yes	No	N/A	
3)	Annual Financial Projections/Budget (prepared on a monthly basis)	Annually (within 10 days of approval), and when revised	Yes	No	N/A	
4)	[Reserved.]					

5) 8-K, 10-K and 10-Q Filings	If applicable, within 5 days of filing	Yes	No	N/A	
6) Compliance Certificate	Monthly within 30 days	Yes	No	N/A	
7) [Reserved.]					
8) Total amount of Borrower's cash and cash equivalents at the last day of the measurement period		\$ _____	Yes	No	N/A
9) Total amount of Borrower's Subsidiaries' cash and cash equivalents at the last day of the measurement period		\$ _____	Yes	No	N/A

**Deposit and Securities Accounts**

*(Please list all accounts; attach separate sheet if additional space needed)*

	Institution Name	Account Number	New Account?		Account Control Agreement in place?	
			Yes	No	Yes	No
1)			Yes	No	Yes	No
2)			Yes	No	Yes	No
3)			Yes	No	Yes	No
4)			Yes	No	Yes	No

**Other Matters**

1) Have there been any changes in Key Persons since the last Compliance Certificate?	Yes	No
2) Have there been any transfers/sales/disposals/retirement of Collateral or IP prohibited by the Loan Agreement?	Yes	No
3) Have there been any new or pending claims or causes of action against Borrower that involve more than Two Hundred Fifty Thousand Dollars (\$250,000.00)?	Yes	No
4) Have there been any amendments of or other changes to the Operating Documents of Borrower or any of its Subsidiaries? If yes, provide copies of any such amendments or changes with this Compliance Certificate.	Yes	No
5) Has Borrower or any Subsidiary entered into or amended any Material Agreement? If yes, please explain and provide a copy of the Material Agreement(s) and/or amendment(s).	Yes	No
6) Has Borrower provided the Collateral Agent with all notices required to be delivered under Sections 6.2(a) and 6.2(b) of the Loan Agreement?	Yes	No
7) Has Borrower or any Subsidiary entered into any exclusive license? If yes, please explain and provide a copy of the exclusive license.	Yes	No

**Exceptions**

Please explain any exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions." Attach separate sheet if additional space needed.)

SYNDAX PHARMACEUTICALS, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date:

**COLLATERAL AGENT USE ONLY**

Received by: \_\_\_\_\_ Date: \_\_\_\_\_

Verified by: \_\_\_\_\_ Date: \_\_\_\_\_

Compliance Status:      Yes              No

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**EXHIBIT A**

**Certificate of Incorporation (including amendments)**

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**EXHIBIT B**

**Bylaws**

**FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT**

THIS **FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT** (this "**Amendment**"), dated as of September 25, 2014 (the "**Amendment Effective Date**"), is made among Syndax Pharmaceuticals, Inc., a Delaware corporation (the "**Borrower**"), Solar Capital Ltd., a Maryland corporation ("**SolarCap**"), in its capacity as collateral agent (in such capacity, "**Collateral Agent**") and the Lenders listed on Schedule 1.1 (as amended herein) of the Loan and Security Agreement (as defined below) or otherwise a party hereto from time to time including SolarCap in its capacity as a Lender (each a "**Lender**" and collectively, the "**Lenders**").

The Borrower, the Lenders and the Collateral Agent are parties to a Loan and Security Agreement dated as of June 13, 2014 (the "**Loan and Security Agreement**"). The Borrower has requested that the Lenders agree to certain amendments to the Loan and Security Agreement. The Lenders have agreed to such request, subject to the terms and conditions hereof.

Accordingly, the parties hereto agree as follows:

**SECTION 1 Definitions; Interpretation.**

(a) **Terms Defined in Loan and Security Agreement.** All capitalized terms used in this Amendment (including in the recitals hereof) and not otherwise defined herein shall have the meanings assigned to them in the Loan and Security Agreement.

(b) **Interpretation.** The rules of interpretation set forth in Section 1.1 of the Loan and Security Agreement shall be applicable to this Amendment and are incorporated herein by this reference.

**SECTION 2 Amendments to the Loan and Security Agreement.**

(a) The Loan and Security Agreement shall be amended as follows effective as of the Amendment Effective Date:

(i) **Definitions Chart.** The chart of definitions in Section 1.3 is amended as follows: (A) a new line for "Term C Loan" is added, which is defined in Section 2.2(a)(iii), (B) a new line for "Term D Loan" is added, which is defined in Section 2.2(a)(iv), and (C) the Section reference for "Term Loan" is changed to Section 2.2(a)(iv).

(ii) **New Definitions.** The following definitions are added to Section 1.3 in their proper alphabetical order:

"**First Amendment Effective Date**" means September 25, 2014.

"**Term A Condition**" means that Borrower has received a minimum of Four Million, Nine Hundred Forty-Five Thousand Dollars (\$4,945,000.00) in net proceeds from a bona fide financing (in the form of debt, convertible debt or equity) from existing investors or other private equity or venture capital investors subject to terms and conditions reasonably acceptable to Collateral Agent (including without limitation that any such debt be deeply subordinated to the Obligations pursuant to a subordination agreement reasonably acceptable to Collateral Agent) after September 5, 2014 but on or before September 30, 2014.

"**Term B Condition**" means the satisfaction of both of the following by December 31, 2014: (a) the Term A Loans have been fully funded, and (b) Borrower has received a minimum of Fifteen Million Dollars (\$15,000,000.00) in net proceeds (excluding any proceeds received in connection with the satisfaction of the Term A Condition) from a bona fide financing in the form of a sale of the Borrower's Series C Preferred Stock to

existing investors or other private equity or venture capital investors subject to terms and conditions reasonably acceptable to Collateral Agent.

“**Term C Condition**” means the satisfaction of both of the following by December 31, 2014: (a) the Term A Loans have been fully funded, and (b) Borrower has received a minimum of Twenty Million Dollars (\$20,000,000.00) in net proceeds from a strategic transaction in only Japan and South Korea subject to terms and conditions reasonably acceptable to Collateral Agent.

“**Term D Condition**” means the satisfaction of both of the following by June 30, 2015: (a) the Term A Loans and either the Term B Loans or the Term C Loans have been fully funded, and (b) the consummation of an IPO resulting in the receipt of at least Thirty-Seven Million Dollars (\$37,000,000.00) in net proceeds to Borrower.

(iii) Amended and Restated Definitions. The following definitions are hereby amended and restated as follows:

“**Amortization Date**” is, (i) with respect to the Term A Loans, July 1, 2015 (provided, however, that prior to July 1, 2015, Borrower may extend such date to October 1, 2016 if the Term A Loans, the Term D Loans, and either the Term B Loans or the Term C Loans are fully advanced, by providing notice to the Collateral Agent requesting such extension) and (ii) with respect to Term Loans other than the Term A Loans, the Amortization Date then in effect for the Term A Loans.

(iv) Amended Definitions. The following definitions are hereby amended as follows:

“**Prepayment Fee**”. The definition of “**Prepayment Fee**” is hereby amended by replacing each occurrence of “Term B Loan” therein with “Term Loan”.

“**Non-Use Fee**”. The definition of “**Non-Use Fee**” is hereby amended by replacing “IPO Condition” therein with “Term A Condition”.

(v) Deleted Definitions. The following definitions are hereby deleted in their entirety: (A) IPO Condition; (B) Second Draw Period.

(vi) Section 2.2(a)(i). Section 2.2(a)(i) is hereby amended and restated as follows:

(i) Subject to the terms and conditions of this Agreement and the prior satisfaction of the Term A Condition (as reasonably determined by the Lenders), the Lenders agree, severally and not jointly, upon Borrower’s prior written request, to make term loans to Borrower within three (3) Business Days of receipt of such request (or on the First Amendment Effective Date should the Term A Condition be satisfied prior to that date to the reasonable satisfaction of the Collateral Agent), in an aggregate principal amount of Five Million Dollars (\$5,000,000.00) according to each Lender’s Term A Loan Commitment as set forth on Schedule 1.1 hereto (such term loans are hereinafter referred to singly as a “**Term A Loan**”, and collectively as the “**Term A Loans**”). After repayment, no Term A Loan may be re-borrowed. Notwithstanding anything to the contrary herein, the Lenders shall have no obligations to fund the Term A Loans after September 30, 2014.

(vii) Section 2.2(a)(ii). Section 2.2(a)(ii) is hereby amended and restated as follows:

(ii) Subject to the terms and conditions of this Agreement and the prior satisfaction of the Term B Condition (as reasonably determined by the Lenders), the Lenders agree, severally and not jointly, upon Borrower's prior written request, to make term loans to Borrower within three (3) Business Days of receipt of such request, which shall be irrevocable, in an aggregate principal amount, designated by the Borrower, of up to Three Million Dollars (\$3,000,000.00), according to each Lender's Term B Loan Commitment as set forth on Schedule 1.1 hereto (such term loans are hereinafter referred to singly as a "**Term B Loan**", and collectively as the "**Term B Loans**"). After repayment, no Term B Loan may be re-borrowed. Notwithstanding anything to the contrary herein, the Lenders shall have no obligations to fund the Term B Loans after December 31, 2014.

(viii) Section 2.2(a)(iii). A new Section 2.2(a)(iii) is hereby added as follows:

(iii) Subject to the terms and conditions of this Agreement and the prior satisfaction of the Term C Condition (as reasonably determined by the Lenders), the Lenders agree, severally and not jointly, upon Borrower's prior written request, to make term loans to Borrower within three (3) Business Days of receipt of such request, which shall be irrevocable, in an aggregate principal amount, designated by the Borrower, of up to Four Million Dollars (\$4,000,000.00), according to each Lender's Term C Loan Commitment as set forth on Schedule 1.1 hereto (such term loans are hereinafter referred to singly as a "**Term C Loan**", and collectively as the "**Term C Loans**"). After repayment, no Term C Loan may be re-borrowed. Notwithstanding anything to the contrary herein, the Lenders shall have no obligations to fund the Term C Loans after December 31, 2014.

(ix) Section 2.2(a)(iv). A new Section 2.2(a)(iv) is hereby added as follows:

(iv) Subject to the terms and conditions of this Agreement and the prior satisfaction of the Term D Condition (as reasonably determined by the Lenders), the Lenders agree, severally and not jointly, upon Borrower's prior written request, to make term loans to Borrower within three (3) Business Days of receipt of such request, which shall be irrevocable, in an aggregate principal amount, designated by the Borrower, of up to Seven Million Dollars (\$7,000,000.00) according to each Lender's Term D Loan Commitment as set forth on Schedule 1.1 hereto (such term loans are hereinafter referred to singly as a "**Term D Loan**", and collectively as the "**Term D Loans**"; each Term A Loan, Term B Loan, Term C Loan or Term D Loan is hereinafter referred to singly as a "**Term Loan**" and the Term A Loans, the Term B Loans, the Term C Loans and the Term D Loans are hereinafter referred to collectively as the "**Term Loans**"); provided, however, notwithstanding anything herein to the contrary, the total Term Loan Commitment shall not exceed Fifteen Million Dollars (\$15,000,000) and the Lenders shall not be required to advance Term D Loans in an amount that causes all Term Loans advanced by the Lenders to exceed Fifteen Million Dollars (\$15,000,000). After repayment, no Term D Loan may be re-borrowed. Notwithstanding anything to the contrary herein, the Lenders shall have no obligations to fund the Term D Loans after June 30, 2015.

(x) Section 3.2(d). Section 3.2(d) is hereby amended by adding ", Term C Loan or Term D Loan, as applicable" immediately after "Term B Loan" therein.

(xi) Lenders and Commitments. Schedule 1.1 of the Loan Agreement, the Schedules of Lenders and Commitments, is hereby amended and restated in its entirety with Annex A hereto.



(b) **References Within Loan and Security Agreement.** Each reference in the Loan and Security Agreement to “this Agreement” and the words “hereof,” “herein,” “hereunder,” or words of like import, shall mean and be a reference to the Loan and Security Agreement as amended by this Amendment.

**SECTION 3 Conditions of Effectiveness.** The effectiveness of Section 2 of this Amendment shall be subject to the satisfaction of each of the following conditions precedent:

(a) **Fees and Expenses.** The Borrower shall have paid (i) all invoiced costs and expenses then due in accordance with Section 5(d), and (ii) all other fees, costs and expenses, if any, due and payable as of the Amendment Effective Date under the Loan and Security Agreement.

(b) **This Amendment.** The Collateral Agent shall have received this Amendment, executed by the Collateral Agent, the Lenders and the Borrower.

(c) **Representations and Warranties; No Default.** On the Amendment Effective Date, after giving effect to the amendment of the Loan and Security Agreement contemplated hereby:

(i) The representations and warranties contained in Section 4 shall be true and correct on and as of the Amendment Effective Date as though made on and as of such date; and

(ii) There exist no Events of Default or events that with the passage of time would result in an Event of Default.

**SECTION 4 Representations and Warranties.** To induce the Lenders to enter into this Amendment, the Borrower hereby confirms, as of the date hereof, (a) that the representations and warranties made by it in Section 5 of the Loan and Security Agreement and in the other Loan Documents are true and correct in all material respects; *provided, however*, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof. For the purposes of this Section 4, (i) each reference in Section 5 of the Loan and Security Agreement to “this Agreement,” and the words “hereof,” “herein,” “hereunder,” or words of like import in such Section, shall mean and be a reference to the Loan and Security Agreement as amended by this Amendment, and (ii) any representations and warranties which relate solely to an earlier date shall not be deemed confirmed and restated as of the date hereof (provided that such representations and warranties shall be true, correct and complete as of such earlier date); (b) that there has not been and there does not exist a Material Adverse Change; and (c) other than as updated on Exhibit A attached hereto, that the information included in the Perfection Certificate delivered to Collateral Agent on the Effective Date remains true and correct.

#### **SECTION 5 Miscellaneous.**

(a) **Loan Documents Otherwise Not Affected; Reaffirmation.** Except as expressly amended pursuant hereto, the Loan and Security Agreement and the other Loan Documents shall remain unchanged and in full force and effect and are hereby ratified and confirmed in all respects. The Lenders’ and the Collateral Agent’s execution and delivery of, or acceptance of, this Amendment shall not be deemed to create a course of dealing or otherwise create any express or implied duty by any of them to provide any other or further amendments, consents or waivers in the future. The Borrower hereby reaffirms the grant of security under Section 4.1 of the Loan and Security Agreement and hereby reaffirms that such grant of security in the Collateral secures all Obligations under the Loan and Security Agreement, including without limitation any Term Loans funded on or after the Amendment Effective Date, as of the date hereof.

(b) **Conditions.** For purposes of determining compliance with the conditions specified in Section 3, each Lender that has signed this Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Collateral Agent shall have received notice from such Lender prior to the Amendment Effective Date specifying its objection thereto.

(c) **No Reliance.** The Borrower hereby acknowledges and confirms to the Collateral Agent and the Lenders that the Borrower is executing this Amendment on the basis of its own investigation and for its own reasons without reliance upon any agreement, representation, understanding or communication by or on behalf of any other Person.

(d) **Costs and Expenses.** The Borrower agrees to pay to the Collateral Agent within thirty days of its receipt of an invoice (or on the Amendment Effective Date to the extent invoiced prior at least one (1) Business Day prior to the Amendment Effective Date), the reasonable out-of-pocket costs and expenses of the Collateral Agent and the Lenders party hereto, and the reasonable fees and disbursements of counsel to the Collateral Agent and the Lenders party hereto (including allocated costs of internal counsel), in connection with the negotiation, preparation, execution and delivery of this Amendment and any other documents to be delivered in connection herewith on the Amendment Effective Date or after such date.

(e) **Binding Effect.** This Amendment binds and is for the benefit of the successors and permitted assigns of each party.

(f) **Governing Law.** **THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE COLLATERAL.**

(g) **Complete Agreement; Amendments; Success Fee Agreement.** This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements with respect to such subject matter. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Agreement and the Loan Documents. For the avoidance of doubt and notwithstanding anything to the contrary in this Amendment, Borrower (a) reaffirms its obligations under the Success Fee Agreement, including without limitation its obligation to pay the Success Fee (as defined in the Success Fee Agreement) if and when due thereunder, and (b) agrees that the defined term "Loan Agreement" as defined in the Success Fee Agreement shall on and after the Amendment Effective Date mean the Loan Agreement as amended by this Amendment and as may be amended, restated or modified from time to time on or after the Amendment Effective Date.

(h) **Severability of Provisions.** Each provision of this Amendment is severable from every other provision in determining the enforceability of any provision.

(i) **Counterparts.** This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

(j) **Loan Documents.** This Amendment and the other Amendment Documents shall constitute Loan Documents.

*[Balance of Page Intentionally Left Blank; Signature Pages Follow]*

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment, as of the date first above written.

**BORROWER:**

**SYNDAX PHARMACEUTICALS, INC.**

as Borrower

By: /s/ Arlene M. Morris

Title: President and CEO

**COLLATERAL AGENT AND LENDERS:**

**SOLAR CAPITAL LTD.,**

as Collateral Agent and a Lender

By: /s/ Anthony Storino

Name: Anthony Storino

Title: Authorized Signatory

**SCHEDULE 1.1**

**Lenders and Commitments**

**Term A Loans**

<u>Lender</u>	<u>Term Loan Commitment</u>	<u>Commitment Percentage</u>
Solar Capital Ltd.	\$ 5,000,000	100.00%
<b>TOTAL</b>	<b>\$ 5,000,000</b>	<b>100.00%</b>

**Term B Loans**

<u>Lender</u>	<u>Term Loan Commitment</u>	<u>Commitment Percentage</u>
Solar Capital Ltd.	\$ 3,000,000	100.00%
<b>TOTAL</b>	<b>\$ 3,000,000</b>	<b>100.00%</b>

**Term C Loans**

<u>Lender</u>	<u>Term Loan Commitment</u>	<u>Commitment Percentage</u>
Solar Capital Ltd.	\$ 4,000,000	100.00%
<b>TOTAL</b>	<b>\$ 4,000,000</b>	<b>100.00%</b>

**Term D Loans**

<u>Lender</u>	<u>Term Loan Commitment</u>	<u>Commitment Percentage</u>
Solar Capital Ltd.	\$ 7,000,000*	100.00%
<b>TOTAL</b>	<b>\$ 7,000,000*</b>	<b>100.00%</b>

**Aggregate (all Term Loans)**

<u>Lender</u>	<u>Term Loan Commitment</u>	<u>Commitment Percentage</u>
Solar Capital Ltd.	\$ 15,000,000	100.00%
<b>TOTAL</b>	<b>\$ 15,000,000</b>	<b>100.00%</b>

\* The total Term Loan Commitment shall not exceed Fifteen Million Dollars (\$15,000,000) and the Lenders shall not be required to advance Term D Loans in an amount that causes all Term Loans advanced by the Lenders to exceed Fifteen Million Dollars (\$15,000,000).

**SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT**

THIS **SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT** (this “**Amendment**”), dated as of December 31, 2014 (the “**Second Amendment Effective Date**”), is made among Syndax Pharmaceuticals, Inc., a Delaware corporation (the “**Borrower**”), Solar Capital Ltd., a Maryland corporation (“**SolarCap**”), in its capacity as collateral agent (in such capacity, “**Collateral Agent**”) and the Lenders listed on Schedule 1.1 of the Loan and Security Agreement (as defined below) or otherwise a party hereto from time to time including SolarCap in its capacity as a Lender (each a “**Lender**” and collectively, the “**Lenders**”).

The Borrower, the Lenders and the Collateral Agent are parties to a Loan and Security Agreement dated as of June 13, 2014 (as amended by the First Amendment to Loan and Security Agreement dated as of September 25, 2014 (the “**First Amendment**”), the “**Loan and Security Agreement**”). The Borrower has requested that the Lenders agree to certain amendments to the Loan and Security Agreement. The Lenders have agreed to such request, subject to the terms and conditions hereof.

Accordingly, the parties hereto agree as follows:

**SECTION 1 Definitions; Interpretation.**

(a) **Terms Defined in Loan and Security Agreement.** All capitalized terms used in this Amendment (including in the recitals hereof) and not otherwise defined herein shall have the meanings assigned to them in the Loan and Security Agreement.

(b) **Interpretation.** The rules of interpretation set forth in Section 1.1 of the Loan and Security Agreement shall be applicable to this Amendment and are incorporated herein by this reference.

**SECTION 2 Amendments to the Loan and Security Agreement.**

(a) The Loan and Security Agreement shall be amended as follows effective as of the Second Amendment Effective Date:

(i) **Definitions Chart.** The chart of definitions in Section 1.3 is amended as follows: a new line for “MSC Subsidiary” is added, which is defined in Section 7.8.

(ii) **New Definitions.** The following definitions are added to Section 1.3 in their proper alphabetical order:

“**MSC Account**” means any Collateral Account established and maintained by the MSC Subsidiary.

“**MSC Investment Conditions**” means that the Borrower has on deposit in a Collateral Account subject to a Control Agreement in favor of the Collateral Agent an amount of at least the lesser of (a) cash and Cash Equivalents held by the Borrower, or (b) One Hundred Twenty Percent (120%) of the total aggregate amount of outstanding Obligations.

“**Second Amendment Effective Date**” means December 31, 2014.

“**Term C Transaction**” means a strategic transaction in only Japan and South Korea whereby Borrower is to receive (i) a minimum of Seven Million Five Hundred Thousand Dollars (\$7,500,000) in net equity proceeds and (ii) a minimum of Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) in net licensing-related proceeds, in all cases subject to terms and conditions reasonably acceptable to Collateral Agent.

(iii) Amended and Restated Definitions. The following definitions are hereby amended and restated as follows:

**“Term B Condition”** means the satisfaction of both of the following by December 31, 2014 (provided, however, that this date shall be extended to March 31, 2015 as long as the Term C Loan is fully funded on the Second Amendment Effective Date): (a) the Term A Loans have been fully funded, and (b) Borrower has received a minimum of Fifteen Million Dollars (\$15,000,000.00) in net proceeds (excluding any proceeds received in connection with the satisfaction of the Term A Condition) from a bona fide financing in the form of a sale of the Borrower’s Series C Preferred Stock to existing investors or other private equity or venture capital investors subject to terms and conditions reasonably acceptable to Collateral Agent.

**“Term C Condition”** means the satisfaction of both of the following by December 31, 2014: (a) the Term A Loans have been fully funded, and (b) Borrower has entered into the Term C Transaction.

**“Term D Condition”** means the satisfaction of both of the following by June 30, 2015 (provided, however, that this date shall be extended to September 31, 2015 as long as the Term C Loan is fully funded on the Second Amendment Effective Date): (a) the Term A Loans and either the Term B Loans or the Term C Loans have been fully funded, and (b) the consummation of an IPO resulting in the receipt of at least Thirty-Seven Million Dollars (\$37,000,000.00) in net proceeds to Borrower.

(iv) Section 6.6(a). Section 6.6(a) is hereby amended by adding the following sentences at the end thereof:

On the Second Amendment Effective Date and until the earlier of Borrower (i) providing evidence reasonably satisfactory to Collateral Agent that Borrower has received all proceeds of the Term C Transaction, or (ii) returning the fully funded amount of the Term C Loan to Collateral Agent, Borrower shall hold at least the lesser of (a) cash and Cash Equivalents held by the Borrower or (b) Ten Million Dollars (\$10,000,000) in an account subject to a Control Agreement in favor of the Collateral Agent. Notwithstanding the foregoing, the requirements set forth in this Section 6.6(a) shall not apply to the MSC Account.

(v) Section 6.10. Section 6.10 is hereby amended and restated as follows:

**6.10 Creation/Acquisition of Subsidiaries.** In the event any Borrower or any Subsidiary of any Borrower creates or acquires any Subsidiary after the Effective Date, Borrower or such Subsidiary shall take all actions reasonably requested by Bank to achieve any of the following with respect to such “New Subsidiary” (defined as a Subsidiary formed after the date hereof during the term of this Agreement): (i) if such New Subsidiary (except for the MSC Subsidiary) is organized under the laws of the United States, to cause such New Subsidiary to become either a co-Borrower hereunder or a secured guarantor with respect to the Obligations; and (ii) to grant and pledge to Collateral Agent a perfected security interest in 100% of the stock, units or other evidence of ownership held by Borrower or its Subsidiaries of any such New Subsidiary (including, for the avoidance of doubt, the MSC Subsidiary) which is organized under the laws of the United States, and 65% of the stock, units or other evidence of ownership held by Borrower or its Subsidiaries of any such New Subsidiary which is not organized under the laws of the United States.

(vi) Section 7.7. Section 7.7 is hereby amended by adding the following sentence at the end thereof:

Notwithstanding the foregoing, the MSC Subsidiary may pay dividends or make distributions to the Borrower.

(vii) Section 7.8. Section 7.8 is hereby amended and restated as follows:

**7.8 Investments.** Directly or indirectly make any Investment, or permit any of its Subsidiaries to do so other than (a) Permitted Investments, and (b) if the MSC Investment Conditions have been met and no Event of Default or an event that with the passage of time could result in an Event of Default, shall exist, Investments in a wholly-owned Subsidiary incorporated in Massachusetts for the purpose of holding Investments as a Massachusetts security corporation under 830 CMR 63.38B.1 of the Massachusetts tax code and applicable regulations (as the same may be amended, modified or replaced from time to time) (the “**MSC Subsidiary**”). If at any time after the incorporation of the MSC Subsidiary the MSC Investment Conditions are not met, then (i) the Borrower shall immediately cause the MSC Subsidiary to distribute to the Borrower all assets held by the MSC Subsidiary for deposit into a Collateral Account subject to a Control Agreement in favor of Collateral Agent, and (ii) the Borrower shall not permit the MSC Subsidiary to hold any assets. The Borrower shall not permit the MSC Subsidiary to make any Investments or hold any assets that would cause the MSC Subsidiary to fail to qualify as a Massachusetts security corporation under 830 CMR 63.38B.1 of the Massachusetts tax code and applicable regulations (as the same may be amended, modified or replaced from time to time).

(b) **References Within Loan and Security Agreement.** Each reference in the Loan and Security Agreement to “this Agreement” and the words “hereof,” “herein,” “hereunder,” or words of like import, shall mean and be a reference to the Loan and Security Agreement as amended by this Amendment.

**SECTION 3 Conditions of Effectiveness.** The effectiveness of Section 2 of this Amendment shall be subject to the satisfaction of each of the following conditions precedent:

(a) **Fees and Expenses.** The Borrower shall have paid (i) all invoiced costs and expenses then due in accordance with Section 6(d), and (ii) all other fees, costs and expenses, if any, due and payable as of the Second Amendment Effective Date under the Loan and Security Agreement.

(b) **This Amendment.** The Collateral Agent shall have received this Amendment, executed by the Collateral Agent, the Lenders and the Borrower.

(c) **Representations and Warranties; No Default.** On the Second Amendment Effective Date, after giving effect to the amendment of the Loan and Security Agreement contemplated hereby:

(i) The representations and warranties contained in Section 5 shall be true and correct on and as of the Second Amendment Effective Date as though made on and as of such date; and

(ii) There exist no Events of Default or events that with the passage of time would result in an Event of Default.

(d) **Term C Loan.** The Collateral Agent shall have received evidence reasonably satisfactory to it that the Term C Condition has been met and the Term C Loan has been funded.

**SECTION 4 Post-Closing Obligations.** Notwithstanding any provision herein or in any other Loan Document to the contrary, to the extent not actually delivered on or prior to the Second Amendment Effective Date, the Borrower shall, and shall cause each applicable Subsidiary:

(a) **MSC Subsidiary Share Certificates and Powers.** No later than seven (7) days after the Second Amendment Effective Date (or such later date as Collateral Agent may agree), deliver to Collateral Agent stock certificate(s) and related stock power(s) with respect to the MSC Subsidiary.

(b) **Funding of the Term C Transaction.** (i) no later than January 9, 2015 (or such later date as Collateral Agent may agree), deliver to Collateral Agent evidence reasonably satisfactory to Collateral Agent that Borrower has received at least Seven Million Five Hundred Thousand Dollars (\$7,500,000) of net equity proceeds pursuant to the Term C Transaction; and (ii) no later than January 31, 2015 (or such later date as Collateral Agent may agree), deliver to Collateral Agent evidence reasonably satisfactory to Collateral Agent that Borrower has received at least Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) of licensing-related proceeds pursuant to the Term C Transaction.

**SECTION 5 Representations and Warranties.** To induce the Lenders to enter into this Amendment, the Borrower hereby confirms, as of the date hereof, (a) that the representations and warranties made by it in Section 5 of the Loan and Security Agreement and in the other Loan Documents are true and correct in all material respects; *provided, however*, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof. For the purposes of this Section 5, (i) each reference in Section 5 of the Loan and Security Agreement to “this Agreement,” and the words “hereof,” “herein,” “hereunder,” or words of like import in such Section, shall mean and be a reference to the Loan and Security Agreement as amended by the First Amendment and this Amendment, and (ii) any representations and warranties which relate solely to an earlier date shall not be deemed confirmed and restated as of the date hereof (provided that such representations and warranties shall be true, correct and complete as of such earlier date); (b) that there has not been and there does not exist a Material Adverse Change; and (c) the information included in the Perfection Certificate delivered to Collateral Agent on the Effective Date, as updated by Exhibits A to this Amendment and to the First Amendment, remains true and correct.

**SECTION 6 Miscellaneous.**

(a) **Loan Documents Otherwise Not Affected; Reaffirmation.** Except as expressly amended pursuant hereto, the Loan and Security Agreement and the other Loan Documents shall remain unchanged and in full force and effect and are hereby ratified and confirmed in all respects. The Lenders’ and the Collateral Agent’s execution and delivery of, or acceptance of, this Amendment shall not be deemed to create a course of dealing or otherwise create any express or implied duty by any of them to provide any other or further amendments, consents or waivers in the future. The Borrower hereby reaffirms the grant of security under Section 4.1 of the Loan and Security Agreement and hereby reaffirms that such grant of security in the Collateral secures all Obligations under the Loan and Security Agreement, including without limitation any Term Loans funded on or after the Second Amendment Effective Date, as of the date hereof.

(b) **Conditions.** For purposes of determining compliance with the conditions specified in Section 3, each Lender that has signed this Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Collateral Agent shall have received notice from such Lender prior to the Second Amendment Effective Date specifying its objection thereto.

(c) **No Reliance.** The Borrower hereby acknowledges and confirms to the Collateral Agent and the Lenders that the Borrower is executing this Amendment on the basis of its own investigation and for its own reasons without reliance upon any agreement, representation, understanding or communication by or on behalf of any other Person.

(d) **Costs and Expenses.** The Borrower agrees to pay to the Collateral Agent within thirty days of its receipt of an invoice (or on the Second Amendment Effective Date to the extent invoiced prior at least one (1) Business Day prior to the Second Amendment Effective Date), the reasonable out-of-pocket costs and expenses of



the Collateral Agent and the Lenders party hereto, and the reasonable fees and disbursements of counsel to the Collateral Agent and the Lenders party hereto (including allocated costs of internal counsel), in connection with the negotiation, preparation, execution and delivery of this Amendment and any other documents to be delivered in connection herewith on the Second Amendment Effective Date or after such date.

(e) **Binding Effect.** This Amendment binds and is for the benefit of the successors and permitted assigns of each party.

(f) **Governing Law.** THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE COLLATERAL.

(g) **Complete Agreement; Amendments; Success Fee Agreement.** This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements with respect to such subject matter. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Agreement and the Loan Documents. For the avoidance of doubt and notwithstanding anything to the contrary in this Amendment, Borrower (a) reaffirms its obligations under the Success Fee Agreement, including without limitation its obligation to pay the Success Fee (as defined in the Success Fee Agreement) if and when due thereunder, and (b) agrees that the defined term "Loan Agreement" as defined in the Success Fee Agreement shall on and after the Second Amendment Effective Date mean the Loan Agreement as amended by the First Amendment and this Amendment and as may be amended, restated or modified from time to time on or after the Second Amendment Effective Date.

(h) **Severability of Provisions.** Each provision of this Amendment is severable from every other provision in determining the enforceability of any provision.

(i) **Counterparts.** This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

(j) **Loan Documents.** This Amendment and the other Amendment Documents shall constitute Loan Documents.

*[Balance of Page Intentionally Left Blank; Signature Pages Follow]*

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment, as of the date first above written.

**BORROWER:**

**SYNDAX PHARMACEUTICALS, INC.**

as Borrower

By: /s/ John Pallies

Title: Chief Financial Officer

**COLLATERAL AGENT AND LENDERS:**

**SOLAR CAPITAL LTD.,**

as Collateral Agent and a Lender

By: /s/ Anthony Storino

Name: Anthony Storino

Title: Authorized Signatory

**Exhibit A**

**Updates to Perfection Certificate**

1) Section 2(a) of the Perfection Certificate shall be amended and restated as follows:

**2. PARENT/SUBSIDIARIES OF COMPANY.**

a. The legal name of each subsidiary and parent of Company is as follows. (A “parent” is an entity owning more than 50% of the outstanding ownership interest of Company. A “subsidiary” is an entity, 50% or more of the outstanding ownership interest of which is owned by Company.

<u>Name</u>	<u>Jurisdiction</u>	<u>Date of Formation</u>	<u>Subsidiary /Parent</u>	<u>Fed. Employer ID No.</u>
<b>Syndax Limited</b>	<b>United Kingdom</b>	<b>April 19, 2011</b>	<b>Subsidiary</b>	
<b>Syndax Securities Corporation</b>	<b>Massachusetts</b>	<b>December 17, 2014</b>	<b>Subsidiary</b>	

2) Section 3(a) of the Perfection Certificate shall be amended and restated as follows:

**3. LOCATIONS OF COMPANY AND ITS SUBSIDIARIES**

a. The chief executive offices of Company and its subsidiaries are presently located at the following addresses:

Complete Street and Mailing Address,  
including County and Zip Code

**400 Totten Pond Road, Suite 110, Waltham, MA 02451**

**Syndax Limited  
c/o Pink Accounting Resources, Ltd.  
The Clock House, Station Approach  
Marlow, Buckinghamshire SL7 1NT  
United Kingdom**

Company/Subsidiary

**Company; Syndax Securities Corporation**

**Syndax Limited**

3) Reference to Biotec Services International Limited shall be removed from Section 3(d) of the Perfection Certificate.

4) Section 5(b) of the Perfection Certificate shall be amended and restated as follows:

b. The following are all financial institutions at which Company and its subsidiaries maintain deposit accounts:

<u>Bank Name</u>	<u>Account Number</u>	<u>Branch Address</u>	<u>Company/ Subsidiary</u>	<u>Purpose of Account</u>
<b>Silicon Valley Bank</b>		<b>Santa Clara, CA</b>	<b>Syndax</b>	<b>Operating</b>
<b>American Express Bank</b>		<b>Salt Lake City, UT</b>	<b>Syndax</b>	<b>Corp credit card collateral</b>
<b>Silicon Valley Bank</b>		<b>Santa Clara, CA</b>	<b>Syndax Securities Corporation</b>	<b>MSC investment corporation</b>

- 5) The following shall be added to Section 6 of the Perfection Certificate:  
Convertible Unsecured Promissory Note, dated October 1, 2014, issued by the Company to MC Life Science Ventures, Inc.
- 6) Section 9 of the Perfection Certificate shall be amended and restated as follows:
- 9. LITIGATION; COMMERCIAL TORT CLAIMS**
- a. The following is a complete list of pending and threatened (in writing) litigation or claims involving amounts claimed against Company in an indefinite amount or in excess of \$150,000 in each case: **None.**
- 7) Reference to “Eighth Amended and Restated Certificate of Incorporation” in Section 13(f) of the Perfection Certificate shall be replaced with “Eleventh Amended and Restated Certificate of Incorporation.”
- 8) The following shall be deleted from Section 13(h) of the Perfection Certificate:  
SYNDAX Protocol SNDX-275-0501 (Active – not recruiting) A Phase 2 Multi-Center Study of Entinostat (SNDX-275) in Patients with Relapsed or Refractory Hodgkin’s Lymphoma
- 9) The following shall be added to Schedule B of the Perfection Certificate:  
Convertible Unsecured Promissory Note, dated October 1, 2014, issued by the Company to MC Life Science Ventures, Inc.  
Subordination Agreement, dated October 1, 2014, by and among Solar Capital Ltd. and MC Life Science Ventures, Inc., and approved by the Company.  
Series B-1 Preferred Stock Purchase Agreement, dated December 19, 2014, by and between the Company and Kyowa Hakko Kirin Co., Ltd.  
License, Development and Commercialization Agreement, dated January 6, 2015, by and between the Company and Kyowa Hakko Kirin Co., Ltd.

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Execution Version

CLINICAL TRIAL COLLABORATION AND SUPPLY AGREEMENT  
(FOR NON-SMALL CELL LUNG CANCER STUDY WITH EXPANSION COHORTS  
IN NON-SMALL CELL LUNG CANCER AND MELANOMA)

This CLINICAL TRIAL COLLABORATION AND SUPPLY AGREEMENT (this “**Agreement**”), made as of March 27, 2015 (the “**Effective Date**”), is by and between MSD International GmbH, having a place of business at Weystrasse 20, 6000 Luzern, Switzerland (“**Merck**”), and Syndax Pharmaceuticals, Inc., having a place of business at 400 Totten Pond Road, Suite 110, Waltham, MA 02451 (“**Syndax**”). Merck and Syndax are each referred to herein individually as “**Party**” and collectively “**Parties**”.

RECITALS

- A. Merck is developing the Merck Compound (as defined below) for the treatment of certain tumor types.
- B. Syndax is developing the Syndax Compound (as defined below) for the treatment of certain tumor types.
- C. Syndax desires to sponsor a clinical trial in which the Syndax Compound and the Merck Compound would be dosed concurrently or in combination.
- D. Merck and Syndax, consistent with the terms of this Agreement, desire to collaborate as more fully described herein, including by providing the Merck Compound and the Syndax Compound for the Study (as defined below).

NOW, THEREFORE, in consideration of the premises and of the following mutual promises, covenants and conditions, the Parties, intending to be legally bound, mutually agree as follows:

1. Definitions.

For all purposes of this Agreement, the capitalized terms defined in this Article 1 and throughout this Agreement shall have the meanings herein specified.

1.1 “**Affiliate**” means, with respect to either Party, a firm, corporation or other entity which directly or indirectly owns or controls said Party, or is owned or controlled by said Party, or is under common ownership or control with said Party. The word “**control**” means (i) the direct or indirect ownership of fifty percent (50%) or more of the outstanding voting securities of a legal entity, or (ii) possession, directly or indirectly, of the power to direct the management or policies of a legal entity, whether through the ownership of voting securities, contract rights, voting rights, corporate governance or otherwise.

1.2 “**Agreement**” means this agreement, as amended by the Parties from time to time, and as set forth in the preamble.

1.3 “**Applicable Law**” means all federal, state, local, national and regional statutes, laws, rules, regulations and directives applicable to a particular activity hereunder, including performance of clinical trials, medical treatment and the processing and protection of personal and medical data, that may be in effect from time to time, including those promulgated by the United States Food and Drug Administration (“**FDA**”), national regulatory authorities, the European Medicines Agency (“**EMA**”) and any successor agency to the FDA or EMA or any agency or authority performing some or all of the functions of the FDA or EMA in any jurisdiction outside the United States or the European Union (each a “**Regulatory Authority**” and collectively, “**Regulatory Authorities**”), and including without limitation cGMP and GCP (each as defined below); all data protection requirements such as those specified in the EU Data Protection Directive and the regulations issued under the United States Health Insurance Portability and Accountability Act of 1996 (“**HIPAA**”); export control and economic sanctions regulations which prohibit the shipment of United States-origin products and technology to certain restricted countries, entities and individuals; anti-bribery and anti-corruption laws pertaining to interactions with government agents, officials and representatives; laws and regulations governing payments to healthcare providers; and any United States or other country’s or jurisdiction’s successor or replacement statutes, laws, rules, regulations and directives relating to the foregoing.

1.4 “**Business Day**” means any day other than a Saturday, Sunday or any public holiday in the country where the applicable obligations are to be performed.

1.5 “**Calendar Quarter**” means a three-month period beginning on January, April, July or October 1st.

1.6 “**Calendar Year**” means a one-year period beginning on January 1st and ending on December 31st.

1.7 “**cGMP**” means the current Good Manufacturing Practices officially published and interpreted by EMA, FDA and other applicable Regulatory Authorities that may be in effect from time to time and are applicable to the Manufacture of the Compounds.

1.8 “**Change of Control**” means, with respect to a Party, a transaction with a Third Party(ies) involving (a) the acquisition, merger or consolidation, directly or indirectly, of such Party, and, immediately following the consummation of such transaction, the shareholders of such Party immediately prior thereto hold, directly or indirectly, as applicable, shares of capital stock of the surviving company representing less than fifty percent (50%) of the outstanding shares of such surviving or continuing company, (b) the sale of all or substantially all of the assets or business of such Party, or (c) a Person, or group of Persons acting in concert, acquire more than fifty percent (50%) of the voting equity securities or management control of such Party.

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1.9 “**Clinical Data**” means all data (including raw data) and results generated under the Study; excluding, however, Sample Testing Results.

1.10 “**Clinical Quality Agreement**” means that certain clinical quality agreement described in Section 8.1 (*Supply of the Compounds*).

1.11 “**CMC**” means Chemistry Manufacturing and Controls.

1.12 “**Combination**” means the use or method of using the Merck Compound and the Syndax Compound in concomitant or sequential administration.

1.13 “**Compounds**” means the Merck Compound and the Syndax Compound. A “**Compound**” means either the Merck Compound or the Syndax Compound, as applicable.

1.14 “**Confidential Information**” means any information, Know-How or other proprietary information or materials furnished to one Party by the other Party pursuant to this Agreement, except to the extent that such information or materials: (a) was already known to the receiving Party, other than under an obligation of confidentiality, at the time of disclosure by the other Party, as demonstrated by competent evidence; (b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the receiving Party; (c) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of the receiving Party in breach of this Agreement; (d) was disclosed to the receiving Party by a Third Party who had no obligation to the disclosing Party not to disclose such information to others; or (e) was subsequently developed by the receiving Party without use of the Confidential Information, as demonstrated by competent evidence.

1.15 “**CTA**” means an application to a Regulatory Authority for purposes of requesting the ability to start or continue a clinical trial, which CTA may consist of, or include, an IND.

1.16 “**Data Sharing and Sample Testing Schedule**” means the schedule attached hereto as Schedule I.

1.17 “**Disposition Package**” has the meaning set forth in Section 8.7.1 (*After Manufacturer’s Release*).

1.18 “**Dispute**” has the meaning set forth in Section 21.1.

1.19 “**Effective Date**” has the meaning set forth in the preamble.

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1.20 “**EMA**” has the meaning set forth in the definition of Applicable Law.

1.21 “**FDA**” has the meaning set forth in the definition of Applicable Law.

1.22 “**GCP**” means the Good Clinical Practices officially published by EMA, FDA and the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH) that may be in effect from time to time and are applicable to the testing of the Compounds.

1.23 “**Government Official**” means: (a) any officer or employee of a government or any department, agency or instrument of a government; (b) any person acting in an official capacity for or on behalf of a government or any department, agency, or instrument of a government; (c) any officer or employee of a company or business owned in whole or part by a government; (d) any officer or employee of a public international organization such as the World Bank or United Nations; (e) any officer or employee of a political party or any person acting in an official capacity on behalf of a political party; and/or (f) any candidate for political office, who, when such Government Official is acting in an official capacity or in an official decision-making role, has responsibility for performing regulatory inspections, government authorizations or licenses, or otherwise has the capacity to make decisions with the potential to affect the business of either of the Parties.

1.24 “**HIPAA**” has the meaning set forth in the definition of Applicable Law.

1.25 “**IND**” means the Investigational New Drug Application filed or to be filed with the FDA as described in Title 21 of the U.S. Code of Federal Regulations, Part 312, and the equivalent application in the jurisdictions outside the United States, including an “Investigational Medicinal Product Dossier” filed or to be filed with the Regulatory Authorities in the European Union.

1.26 “**Inventions**” means all inventions and discoveries which are made or conceived in the design or performance of the Study, or any Phase III registration study for the Combination performed pursuant to Section 6.12, and/or which are made or conceived by a Party through use of the Clinical Data.

1.27 “**Joint Development Committee**” or “**JDC**” has the meaning set forth in Section 3.8 (*Joint Development Committee*).

1.28 “**Jointly Owned Invention**” has the meaning set forth in Section 10.1.1.

1.29 “**Joint Patent Application**” has the meaning set forth in Section 10.1.2.

1.30 “**Joint Patent**” means a patent that issues from a Joint Patent Application.

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1.31 “**Know-How**” means any proprietary invention, innovation, improvement, development, discovery, computer program, device, trade secret, method, know-how, process, technique or the like, including manufacturing, use, process, structural, operational and other data and information, whether or not written or otherwise fixed in any form or medium, regardless of the media on which contained and whether or not patentable or copyrightable, that is not generally known or otherwise in the public domain.

1.32 “**Liability**” has the meaning set forth in Section 14.2.1 (*Indemnification by Syndax*).

1.33 “**Manufacture**,” “**Manufactured**,” or “**Manufacturing**” means all stages of the manufacture of a Compound, including planning, purchasing, manufacture, processing, compounding, storage, filling, packaging, waste disposal, labeling, leafleting, testing, quality assurance, sample retention, stability testing, release, dispatch and supply, as applicable.

1.34 “**Manufacturer’s Release**” or “**Release**” has the meaning ascribed to such term in the Clinical Quality Agreement.

1.35 “**Manufacturing Site**” means the facilities where a Compound is Manufactured by or on behalf of a Party, as such Manufacturing Site may change from time to time in accordance with Section 8.6 (*Changes to Manufacturing*).

1.36 “**Merck**” has the meaning set forth in the preamble.

1.37 “**Merck Compound**” means pembrolizumab, a humanized anti-human PD-1 monoclonal antibody \*\*\*.

1.38 “**Non-Conformance**” means, with respect to a given unit of Compound, (i) an event that deviates from an approved cGMP requirement with respect to the applicable Compound, such as a procedure, Specification, or operating parameter, or that requires an investigation to assess impact to the quality of the applicable Compound or (ii) that such Compound failed to meet the applicable representations and warranties set forth in Section 2.3.1.

1.39 “**Party**” has the meaning set forth in the preamble.

1.40 “**PD-1 Antagonist**” means any small or large molecule that \*\*\*.

1.41 “**Pharmacovigilance Agreement**” means that certain pharmacovigilance agreement being entered into by the Parties simultaneously herewith regarding the Compounds.

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1.42 “**Protocol**” means the written documentation that describes the Study and sets forth specific activities to be performed as part of the Study conduct.

1.43 “**Regulatory Approvals**” means any and all permissions (other than the Manufacturing approvals) required to be obtained from Regulatory Authorities and any other competent authority for the development, registration, importation and distribution of a Compound in the United States, Europe, or other applicable jurisdictions for human use.

1.44 “**Regulatory Authorities**” has the meaning set forth in the definition of Applicable Law.

1.45 “**Related Agreements**” means the Pharmacovigilance Agreement and the Clinical Quality Agreement.

1.46 “**Samples**” means urine, blood and tissue samples from patients participating in the Study.

1.47 “**Sample Testing**” means the analyses to be performed by each Party using the applicable Samples, as described in the Data Sharing and Sample Testing Schedule.

1.48 “**Sample Testing Results**” means those results arising from the Sample Testing, which are to be shared between Merck and Syndax, as set forth in the Data Sharing and Sample Testing Schedule.

1.49 “**Specifications**” means, with respect to a given Compound, the set of requirements for such Compound as set forth in the Clinical Quality Agreement.

1.50 “**Study**” means a Phase 1b/2, open-label, dose escalation study of the Syndax Compound in combination with the Merck Compound in patients with non-small cell lung cancer, with expansion cohorts in patients with non-small cell lung cancer and melanoma.

1.51 “**Study Completion**” means the point in time when the database for the Study has been locked.

1.52 “**Syndax**” has the meaning set forth in the preamble.

1.53 “**Syndax Class Compound**” means any small or large molecule that \*\*\*.

1.54 “**Syndax Compound**” means entinostat (SNDX-275) \*\*\*.

1.55 “**Territory**” means anywhere in the world.

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1.56 “**Third Party**” means any person or entity other than Syndax, Merck or their respective Affiliates.

2. Scope of the Agreement.

2.1 Each Party shall contribute to the Study such resources as are necessary to fulfill its obligations set forth in this Agreement.

2.2 Each Party agrees to act in good faith in performing its obligations under this Agreement and each Related Agreement, and shall notify the other Party as promptly as possible in the event of any Manufacturing delay that is likely to adversely affect supply of its Compound as contemplated by this Agreement.

2.3. Obligations, Representations and Warranties.

2.3.1. Syndax agrees to Manufacture and supply the Syndax Compound for purposes of the Study as set forth in Article 8 (*Supply and Use of the Compounds*), and Syndax hereby represents and warrants to Merck that, at the time of Delivery of the Syndax Compound, such Syndax Compound shall have been Manufactured and supplied in compliance with: (i) the Specifications for the Syndax Compound; (ii) the Clinical Quality Agreement; and (iii) all Applicable Law, including cGMP and health, safety and environmental protections. Merck agrees to Manufacture and supply the Merck Compound for purposes of the Study as set forth in Article 8 (*Supply and Use of the Compounds*), and Merck hereby represents and warrants to Syndax that, at the time of Delivery of the Merck Compound, such Merck Compound shall have been Manufactured and supplied in compliance with: (a) the Specifications for the Merck Compound; (b) the Clinical Quality Agreement; and (c) all Applicable Law, including cGMP and health, safety and environmental protections.

2.3.2 Without limiting the foregoing, each Party is responsible for obtaining all regulatory approvals (including facility licenses) that are required to Manufacture its Compound in accordance with Applicable Law (provided that for clarity, Syndax shall be responsible for obtaining Regulatory Approvals for the Study as set forth in Section 3.3).

2.4. Each Party shall have the right to subcontract any portion of its obligations hereunder: (i) to its own Affiliates, without the other Party’s written consent; or (ii) to Third Parties, provided that the JDC has approved (in a written document) the use of such Third Parties in the performance of such activities, and provided further that no consent shall be necessary for either Party’s delegation to or use of Third Parties \*\*\* (such Third Parties described in clause (ii), “**Subcontractors**”). In any event, each Party shall remain solely and fully liable for the performance of its Subcontractors to which such Party delegates the performance of its obligations under this Agreement. Each Party shall ensure that each of its Subcontractors performs such Party’s obligations pursuant to the

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terms of this Agreement, including the Appendices attached hereto. For clarity, to the extent that a Party has an obligation under this Agreement to perform an action or to meet a standard, and such Party subcontracts such obligation, such Party shall be responsible for any failure by such Party's Subcontractor to perform the action or meet the standard. Each Party shall use reasonable efforts to obtain and maintain copies of documents relating to the obligations performed by such subcontractors that are held by or under the control of such Subcontractors and that are required to be provided to the other Party under this Agreement.

2.5 This Agreement does not create any obligation on the part of Merck to provide the Merck Compound for any activities other than the Study (except as provided in Section 6.12), nor does it create any obligation on the part of Syndax to provide the Syndax Compound for any activities other than the Study (except as provided in Section 6.12).

2.6 Nothing in this Agreement shall (i) prohibit either Party from performing clinical studies relating to its own Compound, either individually or in combination with any other compound or product, in any therapeutic area, or (ii) create an exclusive relationship between the Parties with respect to any Compound.

### 3. Conduct of the Study.

3.1 Syndax shall act as the sponsor of the Study and shall hold the IND relating to the Study. Merck acknowledges that Syndax intends to file a separate IND covering the clinical evaluation of the Syndax Compound to treat melanoma and lung-related indications and to perform the Study under such IND. This separate IND will not be a combination IND. If a Regulatory Authority requests a separate combination IND for the Study the Parties will meet and mutually agree on an approach to address such requirement.

3.2 Syndax shall ensure that the Study is performed in accordance with this Agreement, the Protocol and all Applicable Law, including GCP.

3.3 Syndax shall ensure that all directions from any Regulatory Authority and/or ethics committee with jurisdiction over the Study are followed. Further, Syndax shall ensure that all necessary Regulatory Approvals from any Regulatory Authority and/or ethics committee with jurisdiction over the Study are obtained prior to initiating performance of the Study. Syndax shall participate in and lead all discussions with any Regulatory Authority regarding the Study, provided, however, that Merck shall have the right (but no obligation) to participate in any discussions with a Regulatory Authority regarding matters related to the Merck Compound. Notwithstanding anything to the contrary in this Agreement, neither Party shall have any right to access the other Party's CMC data with respect to its Compound. Merck will authorize FDA and other applicable Regulatory Authorities to cross-reference the appropriate Merck Compound CTA to

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provide data access to Syndax sufficient to support conduct of the Study, which authorization will take the form of a cross-reference letter or similar communication to the applicable Regulatory Authority to effectuate a “right of reference” (as defined in US FDA 21 CFR 314.3(b)), or similar “right of reference” as defined in applicable regulations in the relevant part of the Territory. If an appropriate Merck Compound CTA is not available in a given country, Merck will file its CMC data as appropriate and grant right of reference to such CMC data; provided, however, that Syndax shall have no right to directly access the CMC data.

3.4 Syndax shall maintain reports and all related documentation relating to the Study in good scientific manner and in compliance with Applicable Law. Each Party shall provide to the other all Study information and documentation (excluding information and documentation relating to the Sample Testing other than the Sample Testing Results themselves) reasonably requested by such other Party to enable it to (i) comply with any of its legal and regulatory obligations, or any request by any Regulatory Authority, in each case, to the extent related to the Study or such Party’s Compound, or (ii) conduct the Sample Testing.

3.5 Each Party shall provide to the other Party copies of all Clinical Data, in electronic form or other mutually agreeable alternate form, and on the timelines specified in the Data Sharing and Sample Testing Schedule (if applicable) or upon mutually agreeable timelines. Syndax shall ensure that all patient authorizations and consents required under HIPAA, the EU Data Protection Directive, GCP or any other Applicable Law in connection with the Study permit such sharing of Clinical Data with Merck.

3.6 Syndax shall provide Samples to Merck as specified in the Protocol or as agreed to by the Joint Development Committee. Each Party shall use the Samples only for the Sample Testing and each Party shall be responsible for conducting the Sample Testing related to its own Compound. Merck shall own all data arising from the Sample Testing conducted by or on behalf of Merck. Merck shall provide to Syndax the Sample Testing Results for the Sample Testing conducted by or on behalf of Merck, in electronic form or other mutually agreeable alternate form, and on the timelines specified in the Data Sharing and Sample Testing Schedule or other mutually agreed timelines. Likewise, Syndax shall own all data arising from the Sample Testing conducted by or on behalf of Syndax. Syndax shall provide to Merck the Sample Testing Results for the Sample Testing conducted by or on behalf of Syndax, in electronic form or other mutually agreeable alternate form, and on the timelines specified in the Data Sharing and Sample Testing Schedule or other mutually agreed timelines. Except to the extent otherwise agreed in a writing signed by authorized representatives of each Party, each Party shall use the other Party’s Sample Testing Results only for the purposes of \*\*\*. Further, Merck covenants not to \*\*\*, and Syndax covenants not \*\*\*; *provided, however*, that the foregoing shall not prevent either Party from \*\*\*.

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3.7 All Clinical Data, including raw data and results, generated under this Agreement shall be jointly owned by Syndax and Merck. It is understood and acknowledged by the Parties that positive Clinical Data could be used to obtain label changes for the Compounds. In such event, the Parties will enter into good faith negotiations to determine a regulatory submission strategy for the Compounds, and cost structure of the next part of the Study and/or future study(ies) that may be needed for regulatory submission for the Compounds. Merck covenants not to \*\*\*, and Syndax covenants not to \*\*\*, *provided, however*, that the foregoing shall not prevent either Party from \*\*\*.

3.8 *Joint Development Committee*. The Parties shall form a joint development team (the “**Joint Development Committee**” or “**JDC**”), made up of an equal number of representatives of Merck and Syndax, which shall have responsibility for coordinating all regulatory and other activities under, and pursuant to, this Agreement. JDC members will be agreed by both Parties. Each Party shall designate a project manager (the “**Project Manager**”) whose responsibilities may include, at such Party’s discretion, implementing and coordinating activities and facilitating the exchange of scientific information between the Parties with respect to the Study. The JDC shall meet as soon as practicable after the Effective Date and then no less than twice yearly, and more often as reasonably considered necessary at the request of either Party, to provide an update on Study progress. The JDC may meet in person or by means of teleconference, Internet conference, videoconference or other similar communications equipment. Prior to any such meeting, the Syndax Project Manager shall provide an update in writing to the Merck Project Manager, which update shall contain information about overall Study progress, recruitment status, interim analysis (if results are available), final analysis and other information relevant to the conduct of the Study. In addition to a Project Manager, each Party shall designate an alliance manager (the “**Alliance Manager**”), who shall endeavor to ensure clear and responsive communication between the Parties and the effective exchange of information, and shall serve as the primary point of contact for any issues arising under this Agreement. The Alliance Managers and the Project Managers shall have the right to attend all JDC meetings and may bring to the attention to the JDC any matters or issues either of them reasonably believes should be discussed, and shall have such other responsibilities as the Parties may mutually agree in writing. In the event that an issue arises and the Alliance Managers cannot or do not, after good faith efforts, reach agreement on such issue, the issue shall be elevated to the Chief Executive Officer of Syndax and the head of Clinical or VP of Clinical Oncology for Merck.

3.9 Syndax shall provide Merck with (i) an electronic draft of the final study report for Merck to provide comments to Syndax within \*\*\* of receipt of such draft final study report and (ii) the final version of the final study report \*\*\* following Study Completion. Syndax shall consider in good faith any comments provided by Merck on the draft of the final study report, and the final study report shall not include any statements related to the Merck Compound \*\*\*.

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3.10 Notwithstanding anything in this Agreement to the contrary, each Party acknowledges and agrees that the other Party may have present or future business activities or opportunities, including business activities or opportunities with Third Parties, involving Syndax Class Compounds, in the case of Merck, or PD-1 Antagonists, in the case of Syndax, or other similar products, programs, technologies or processes. Accordingly, each Party acknowledges and agrees that nothing in this Agreement shall be construed as a representation or inference that the other Party will not develop for itself, or enter into business relationships with other Third Parties regarding, any products, programs, studies (including combination studies), technologies or processes that are similar to or that may compete with the Combination or any other product, program, technology or process, including Syndax Class Compound or PD-1 Antagonists, provided that the Clinical Data, Sample Testing Results, Jointly Owned Inventions, and Confidential Information are not used or disclosed in connection therewith in violation of Sections 3.6 or 3.7 or Articles 9 (*Confidential Information*) or 10 (*Intellectual Property*) of this Agreement, as applicable.

3.11 Nothing in this Agreement shall prohibit or restrict a Party from licensing, assigning or otherwise transferring to an Affiliate or Third Party its Compound and the related Clinical Data, Confidential Information, Sample Testing Results or Jointly Owned Inventions; provided, however, that in the case of any such license, assignment or transfer, the licensee, assignee or transferee shall agree in writing to be bound by the terms of this Agreement with respect to such Clinical Data, Confidential Information, Sample Testing Results or Jointly Owned Inventions.

#### 4. Protocol and Related Documents.

4.1 An initial Protocol, entitled “A Phase 1b/2, Open-label, Dose Escalation Study of Entinostat in Combination with Pembrolizumab in Patients with Non-small Cell Lung Cancer, with Expansion Cohorts in Patients with Non-small Cell Lung Cancer and Melanoma”, has been agreed to by the Parties as of the Effective Date, a summary of which is attached as Appendix A. The Protocol, the statistical analysis plan, and any amendments thereof will be finalized with the approval of the JDC, subject to each Party’s decision-making rights as set forth below. If the JDC cannot reach agreement on amendments to the Protocol after elevating the matter in accordance with Section 3.8, Syndax shall have the final decision on such amendments. Notwithstanding the foregoing and anything to the contrary contained herein: (a) \*\*\*, in its sole discretion, will determine \*\*\* for \*\*\* and will have the final decision on all matters relating to \*\*\*; and (b) \*\*\*, in its sole discretion, will determine \*\*\* for \*\*\* and will have the final decision on all matters relating to \*\*\*.

4.2 Syndax shall prepare the patient informed consent form for the Study (which shall include any required consent for the Sample Testing) in consultation with Merck (it being understood and agreed that the portion of the informed consent form relating to the Merck Compound will be provided to Syndax by Merck). Any changes to

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such form that relate to the Sample Testing or the Merck Compound shall be subject to Merck's review and prior written consent. Any such proposed changes will be sent in writing to Merck's Project Manager and Merck's Alliance Manager. Merck will provide such consent, or a written explanation for why such consent is being withheld, within \*\*\* of receiving a copy of Syndax's requested changes; provided that if Merck fails to provide such written explanation within such \*\*\* period, then Merck shall be deemed to have consented to such change or changes.

5. Adverse Event Reporting.

Syndax will be solely responsible for compliance with all Applicable Law pertaining to safety reporting for the Study and related activities. The Parties will execute a Pharmacovigilance Agreement within \*\*\* following the Effective Date of this Agreement to ensure the exchange of relevant safety data within appropriate timeframes and in appropriate format to enable the Parties to fulfill local and international regulatory reporting obligations and to facilitate appropriate safety reviews. The Pharmacovigilance Agreement will include safety data exchange procedures governing the coordination of collection, investigation, reporting, and exchange of information concerning any adverse experiences, pregnancy reports, and any other safety information arising from or related to the use of the Merck Compound and Syndax Compound in the Study, consistent with Applicable Law. Such guidelines and procedures shall be in accordance with, and enable the Parties and their Affiliates to fulfill local and international regulatory reporting obligations to Government Authorities. Syndax will transmit to Merck serious adverse drug reactions ("SADRs") and serious adverse events ("SAEs") as follows:

1. For fatal and life-threatening SADRs, Syndax will send a case notification to Merck within \*\*\* and a completely processed case (CIOMS-1 form) within \*\*\*.
2. For all other SAEs, Syndax will send a case notification to Merck within \*\*\* and a completely processed case on a CIOMS-1 form within \*\*\*.

6. Term, Termination, Option to Extend to Phase III.

6.1 The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until completion of all of the obligations of the Parties hereunder or until terminated by either Party pursuant to this Article 6.

6.2 In the event that Merck reasonably and in good faith believes that the Merck Compound is being used in the Study in an unsafe manner and notifies Syndax in writing of the grounds for such belief, and Syndax fails to promptly incorporate (subject to approval by applicable Regulatory Authorities or Institutional Review Boards) changes into the Protocol reasonably requested by Merck to address such issue or to otherwise reasonably and in good faith address such issue, Merck may terminate this Agreement

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and the supply of the Merck Compound effective upon written notice to Syndax. Additionally, in the event that, pursuant to Section 18 and without Merck's consent, Syndax undergoes a Change of Control where \*\*\*, Merck may terminate this Agreement and the supply of the Merck Compound effective upon written notice to Syndax, provided that Merck provides such written notice no later than \*\*\* following Merck's receipt of notice of such Change of Control.

6.3 Either Party may terminate this Agreement if the other Party commits a material breach of this Agreement, and such material breach continues for \*\*\* after receipt of written notice thereof from the non-breaching Party; provided that if such material breach is capable of cure and cannot reasonably be cured within \*\*\*, the breaching Party shall be given a reasonable period of time to cure such breach; further provided that, if such material breach is incapable of cure, then the non-breaching Party may terminate this Agreement effective immediately.

6.4 If either Party determines in good faith, based on a review of the Clinical Data or other Study-related Know-How or other information, that the Study may unreasonably affect patient safety, such Party shall promptly notify the other Party of such determination. The Party receiving such notice may propose modifications to the Study to address the safety issue identified by the other Party and, if the notifying Party agrees, shall act to immediately implement such modifications; provided, however, that if the notifying Party, in its sole discretion, believes that there is imminent danger to patients, such Party need not wait for the other Party to propose modifications and may instead terminate this Agreement immediately upon written notice to such other Party. Furthermore, if the notifying Party, in its sole discretion, believes that any modifications proposed by the other Party will not resolve the patient safety issue, such Party may terminate this Agreement effective upon written notice to such other Party.

6.5 Either Party may terminate this Agreement immediately upon written notice to the other Party in the event that any Regulatory Authority takes any action, or raises any objection, that prevents the terminating Party from supplying its Compound for purposes of the Study. Additionally, either Party shall have the right to terminate this Agreement immediately upon written notice to the other Party in the event that it determines in its sole discretion to discontinue development of its Compound, for medical, scientific, legal or other reasons.

6.6 In the event that this Agreement is terminated, Syndax shall, at Merck's sole discretion, promptly either return or destroy all unused Merck Compound pursuant to Merck's instructions. If Merck requests that Syndax destroy the unused Merck Compound, Syndax shall provide written certification of such destruction.

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6.7 Either Party shall be entitled to terminate this Agreement immediately upon written notice to the other Party, if such other Party fails to perform any of its obligations under Section 13.3 (*Anti-Corruption*) or breaches any representation or warranty contained in Section 13.3 (*Anti-Corruption*). Except as set forth in Section 6.11, the non-terminating Party shall have no claim against the terminating Party for compensation for any loss of whatever nature by virtue of the termination of this Agreement in accordance with this Section 6.7.

6.8 The provisions of this Section 6.8 and Sections 3.6 (other than the first, fourth, and sixth sentences thereof), 3.7, 3.11, 6.6, 6.7 (other than the first sentence thereof), 6.9, 6.10, 6.11, 13.2, 13.3.5, 13.4, 14.2 (*Indemnification*), 14.3 (*Limitation of Liability*), and Articles 1 (*Definitions*), 7 (*Costs of Study*), 9 (*Confidentiality*), 10 (*Intellectual Property*), 11 (*Reprints; Rights of Cross-Reference*), 12 (*Press Releases and Publications*), 20 (*No Additional Obligations*), 21 (*Dispute Resolution and Jurisdiction*), 22 (*Notices*), 23 (*Relationship of the Parties*) and 25 (*Construction*) shall survive the expiration or termination of this Agreement.

6.9 Termination of this Agreement shall be without prejudice to any claim or right of action of either Party against the other Party for any prior breach of this Agreement.

6.10 Upon termination of this Agreement, each Party and its Affiliates shall promptly return to the other Party or destroy any Confidential Information of the other Party (other than Clinical Data, Sample Testing Results and Inventions) furnished to the receiving Party by the other Party, except that the receiving Party shall have the right to retain one copy in its confidential files for record-keeping purposes.

6.11 Provided the Parties do not otherwise dispute the circumstances of termination, in the event of termination due to \*\*\*, the terminating Party shall be entitled to reimbursement by the other Party for the Direct Manufacturing Costs and Indirect Manufacturing Costs (each as defined herein) incurred by the terminating Party for its Compound Delivered for the Study. "**Direct Manufacturing Costs**" shall be calculated consistent with Generally Accepted Accounting Principles ("**GAAP**") and include manufacturing fees, raw materials, direct labor, freight and duty, and factory overhead costs that can be directly attributed to the Compound, including but not limited to equipment maintenance and repair, supplies, ongoing stability program costs, other plan services, indirect labor and depreciation on direct capital assets. "**Indirect Manufacturing Costs**" shall be calculated consistent with GAAP and include allocations of indirect factory overhead and site support costs, including but not limited to utilities, quality, planning, engineering, maintenance, safety, site science and technology, and depreciation on indirect capital assets, procurement, warehousing, and corporate services. Allocations shall be based on each Compound's utilization relative to a Manufacturing Site's total activity.

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6.12 At the completion of the Study (or at any earlier point agreed upon by the Parties), either Party shall have the option to propose amending this Agreement, and Related Agreements, including the Pharmacovigilance Agreement, for the purpose of including a Phase III registration study. In such case, the Parties shall work in good faith, but will have no obligation, to agree upon the details of such amendments and for such Phase III registration study, including development of a protocol, identification of the study sponsor, the sharing of costs of such study, and other relevant terms; provided, however, that if the Parties cannot reach agreement on all necessary new terms, and one Party but not the other Party wishes to proceed with the Phase III registration study, and the non-participating Party does not object to the Phase III protocol based on \*\*\*, then the Parties now agree that each Party will supply at \*\*\* to the other Party sufficient quantities of the non-participating Party's Compound to conduct such study as shall be set forth in a final protocol (provided that such quantities and the delivery dates thereof are \*\*\* and \*\*\* of \*\*\*. In such case, the Parties would agree to enter into a new agreement that would set forth additional terms and conditions, including but not limited to treatment of resulting intellectual property, governance, and use of confidential data and study results.

7. Costs of the Study.

The Parties agree that (i) Merck shall provide the Merck Compound for use in the Study, as described in Article 8 (*Supply and Use of the Compounds*) below, at \*\*\* to Syndax (except as provided in Section 6.11); and (ii) Syndax shall bear all other costs associated with the conduct of the Study, including that Syndax shall provide the Syndax Compound for use in the Study, as described in Article 8 (*Supply and Use of the Compounds*) below, at \*\*\* to Merck (except as provided in Section 6.11). For the avoidance of doubt, Syndax will not be required to reimburse Merck for any costs or expenses incurred by Merck or its Affiliates in connection with the Study (except as provided in Section 6.11) and Merck will not be required to reimburse Syndax for any costs or expenses incurred by Syndax or its Affiliates in connection with the Study (except as provided in Section 6.11).

8. Supply and Use of the Compounds.

8.1 Supply of the Compounds. Syndax and Merck will each supply, or cause to be supplied, the quantities of its respective Compound set forth on Appendix B on the timelines set forth in Appendix B, in each case, for use in the Study. In the event that Syndax determines that the quantities of Compounds set forth on Appendix B are not sufficient to complete the Study (due, for example, to the addition of Study sites or countries), Syndax shall so notify Merck, and the Parties shall discuss in good faith regarding additional quantities of Compounds to be provided and the schedule on which such additional quantities may be provided. Each Party shall also provide to the other Party a contact person for the supply of its Compound under this Agreement. Notwithstanding the foregoing, or anything to the contrary herein, in the event that either Party is not supplying its Compound in accordance with the terms of this Agreement, or is allocating under Section 8.10 (*Shortage; Allocation*), then the other Party shall have no obligation to supply its Compound, or may allocate proportionally. Within \*\*\* from the Effective Date of this Agreement, the Parties shall enter into a "**Clinical Quality Agreement**" that shall address and govern issues related to the quality of clinical drug supply to be supplied by the Parties for use in the Study.

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8.2 Minimum Shelf Life Requirements. Each Party shall supply its Compound hereunder with an adequate remaining shelf life at the time of Delivery to meet the Study requirements.

### 8.3 Provision of Compounds.

8.3.1 Merck will deliver the Merck Compound \*\*\* (Incoterms 2010) to Syndax's, or its designee's, location as specified by Syndax ("Delivery" with respect to such Merck Compound). Title and risk of loss for the Merck Compound shall transfer from Merck to Syndax at Delivery. All costs associated with the subsequent transportation, warehousing and distribution of Merck Compound shall be borne by \*\*\*. Syndax will, or will cause its designee to: (i) take delivery of the Merck Compound supplied hereunder; (ii) perform the acceptance procedures allocated to it under the Clinical Quality Agreement; and (iii) subsequently label and pack, as appropriate (in accordance with Section 8.4 (*Labeling and Packaging; Use, Handling and Storage*)) and promptly ship the Merck Compound to the Study sites, in compliance with cGMP, GCP and other Applicable Law and the Clinical Quality Agreement.

8.3.2 Syndax is solely responsible, at its own cost, for supplying (including all Manufacturing, acceptance and release testing) the Syndax Compound for the Study, and the subsequent handling, storage, transportation, warehousing and distribution of the Syndax Compound supplied hereunder. Syndax shall ensure that all such activities are conducted in compliance with cGMP, GCP and other Applicable Law and the Clinical Quality Agreement. For purposes of this Agreement, the "Delivery" of a given quantity of the Syndax Compound shall be deemed to occur when such quantity is packaged for shipment to a Study site or other site as set forth herein.

### 8.4 Labeling and Packaging; Use, Handling and Storage.

8.4.1 The Parties' obligations with respect to the labeling and packaging of the Compounds are as set forth in the Clinical Quality Agreement. Notwithstanding the foregoing or anything to the contrary contained herein, Merck shall provide unlabeled Merck Compound to Syndax in accordance with all Applicable Law, including cGMP, GCP, and health, safety and environmental protections.

8.4.2 Syndax shall (i) use the Merck Compound solely for purposes of performing the Study; (ii) not use the Merck Compound in any manner inconsistent with this Agreement or for any purpose other than conduct of the Study; and (iii) label, use, store, transport, handle and dispose of the Merck Compound in compliance with Applicable Law and the Clinical Quality Agreement. Syndax shall not reverse engineer,

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reverse compile, disassemble or otherwise attempt to derive the composition or underlying information, structure or ideas of the Merck Compound, and in particular shall not analyze the Merck Compound by physical, chemical or biochemical means except as necessary to perform its obligations under the Clinical Quality Agreement and/or any testing described in Section 8.7.

8.5 *Product Specifications*. A certificate of analysis shall accompany each shipment of the Merck Compound to Syndax, as part of the Disposition Package described in Section 8.7.

8.6 *Changes to Manufacturing*. Each Party may make changes from time to time to its Compound or the Manufacturing Site; provided that such changes shall be in accordance with the Clinical Quality Agreement.

8.7 *Product Testing; Noncompliance*.

8.7.1 *After Manufacturer's Release*. After Manufacturer's Release of the Merck Compound and concurrently with Delivery of the Compound to Syndax, Merck shall provide Syndax with such certificates and documentation as are described in the Clinical Quality Agreement ("**Disposition Package**"). Syndax shall, within the time defined in the Clinical Quality Agreement, perform (i) with respect to the Merck Compound, the acceptance procedures allocated to it under the Clinical Quality Agreement, and (ii) with respect to the Syndax Compound, the testing and release procedures allocated to it under the Clinical Quality Agreement. Syndax shall take all steps necessary to determine that the Syndax Compound or Merck Compound, as applicable, is suitable for release before making such Syndax Compound or Merck Compound, as applicable, available for human use, and Merck shall provide cooperation or assistance as reasonably requested by Syndax in connection with such determination with respect to the Merck Compound. Syndax shall be responsible for storage and maintenance of the Merck Compound until it is tested and/or released, which storage and maintenance shall be in compliance with the Specifications for the Merck Compound, the Clinical Quality Agreement and Applicable Law, and shall be responsible for any failure of the Merck Compound to meet the Specifications to the extent caused by shipping, storage or handling conditions after Delivery to Syndax hereunder.

8.7.2 *Non-Conformance*.

(a) In the event that either Party becomes aware that any Compound may have a Non-Conformance, despite testing and quality assurance activities (including any activities conducted by the Parties under Sections 8.7.1 (*After Manufacturer's Release*)), such Party shall immediately notify the other Party in accordance with the procedures of the Clinical Quality Agreement. The Parties shall investigate any Non-Conformance in accordance with Section 8.9 (*Investigations*) and any discrepancy between them shall be resolved in accordance with Section 8.8 (*Resolution of Discrepancies*).

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(b) In the event that any proposed or actual shipment of the Merck Compound (or portion thereof) shall be agreed to have a Non-Conformance at the time of Delivery to Syndax or shall otherwise be determined under the Clinical Quality Agreement to have a Non-Conformance at the time of Delivery to Syndax, then unless otherwise agreed to by the Parties, Merck shall replace such Merck Compound as is found to have a Non-Conformance (with respect to Merck Compound that has not yet been administered in the course of performing the Study). Unless otherwise agreed to by the Parties in writing, the sole and exclusive remedies of Syndax with respect to any Merck Compound that is found to have a Non-Conformance at the time of Delivery shall be (i) replacement of such Merck Compound as set forth in this Section 8.7.2(b), (ii) indemnification under Section 13.2 (to the extent applicable) and (iii) termination of this Agreement pursuant to Section 6.3 (to the extent applicable, but subject to the applicable cure periods set forth therein); provided, for clarity, that Syndax shall not be deemed to be waiving any rights under Section 8.15 (*Recalls*). In the event that Merck Compound is lost or damaged after Delivery and as a result additional Merck Compound is necessary for the Study, Merck shall provide additional Merck Compound, if available for the Study, to Syndax, provided that \*\*\* shall \*\*\* for the \*\*\* of such additional Merck Compound, and provided further that Merck shall have no obligation to provide replacement Merck Compound for any Merck Compound supplied hereunder other than such Merck Compound as has been agreed or determined to have a Non-Conformance at the time of Delivery to Syndax.

(c) Syndax shall be responsible for, and Merck shall have no obligations or liability with respect to, any Syndax Compound supplied hereunder that is found to have a Non-Conformance. Syndax shall replace any Syndax Compound as is found to have a Non-Conformance (with respect to Syndax Compound that has not yet been administered in the course of performing the Study). Unless otherwise agreed to by the Parties in writing, the sole and exclusive remedies of Merck with respect to any Syndax Compound that is found to have a Non-Conformance at the time of Delivery shall be (i) replacement of such Syndax Compound as set forth in this Section 8.7.2(c), (ii) indemnification under Section 13.2 (to the extent applicable) and (iii) termination of this Agreement pursuant to Section 6.3 (to the extent applicable, but subject to the applicable cure periods set forth therein); provided, for clarity, that Merck shall not be deemed to be waiving any rights under Section 8.15 (*Recalls*).

8.8 *Resolution of Discrepancies*. Disagreements regarding any determination of Non-Conformance by Syndax shall be resolved in accordance with the provisions of the Clinical Quality Agreement.

8.9 *Investigations*. The process for investigations of any Non-Conformance shall be handled in accordance with the Clinical Quality Agreement.

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8.10 Shortage; Allocation. In the event that a Party's Compound is in short supply as a result of a manufacturing disruption, manufacturing difficulties or other similar event such that a Party reasonably believes in good faith that it will not be able to fulfill its supply obligations hereunder with respect to its Compound, such Party will provide prompt written notice to the other Party thereof (including the shipments of Compound hereunder expected to be impacted and the quantity of its Compound that such Party reasonably determines it will be able to supply) and the Parties will promptly discuss such situation (including how the quantity of Compound that such Party is able to supply hereunder will be allocated within the Study). In such event, the Party experiencing such shortage shall (i) use its commercially reasonable efforts to remedy the situation giving rise to such shortage and to take action to minimize the impact of the shortage on the Study, and (ii) allocate to the other Party \*\*\* at least \*\*\* the \*\*\* of the \*\*\* by the \*\*\* for the \*\*\* for the \*\*\*.

8.11 Records. Each Party shall maintain complete and accurate records in all material respects pertaining to its Manufacture of its Compound supplied hereunder, and, upon the reasonable prior request of the other Party, will make such records available to review by such other Party in accordance with the Clinical Quality Agreement solely for the purpose of confirming such Party's compliance with this Agreement with respect to its Manufacturing obligations hereunder.

8.12 Quality. Quality matters related to the Manufacture of the Compounds shall be governed by the terms of the Clinical Quality Agreement in addition to the relevant quality provisions of this Agreement.

8.13 Quality Control. Each Party shall implement and perform operating procedures and controls for sampling, stability and other testing of its Compound, and for validation, documentation and release of its Compound and such other quality assurance and quality control procedures as are required by the Specifications, cGMPs and the Clinical Quality Agreement.

8.14 Audits and Inspections. The Parties' audit and inspection rights under this Agreement shall be governed by the terms of the Clinical Quality Agreement.

8.15 Recalls. Recalls of the Compounds shall be governed by the terms of the Clinical Quality Agreement.

8.16 VAT. It is understood and agreed between the Parties that any amounts due made under this Agreement (which amount due, for clarity, could be zero) are exclusive of any value added or similar tax ("VAT"), which shall be added thereon as applicable. Where VAT is properly charged by the supplying Party and added to an amount due under this Agreement, the Party making the payment will pay the amount of VAT only on receipt of a valid tax invoice from the supplying Party issued in accordance with the laws and regulations of the country in which the VAT is chargeable.

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9. Confidentiality.

9.1 Subject to Section 12.3, Syndax and Merck agree to hold in confidence any Confidential Information of the other Party, and neither Party shall use Confidential Information of the other Party except for the performance of the Study. Neither Party shall, without the prior written permission of the other Party, disclose any Confidential Information of the other Party to any Third Party, except to such Party's directors, officers, employees, consultants and/or agents who have a need to know such Confidential Information and are bound to maintain the confidentiality of the Confidential Information by written obligations of confidentiality and non-use at least as restrictive as the obligations contained herein. Notwithstanding the foregoing, nothing herein shall prohibit any disclosure to the extent such disclosure is required by Applicable Law, provided that the disclosing Party shall provide reasonable advance notice to the other Party before making such disclosure and, at the request of such other Party, cooperate with such other Party in obtaining a protective order or similar relief that prevents or limits the scope of such disclosure. For the avoidance of doubt, Syndax may, without Merck's consent, disclose Confidential Information of Merck to clinical trial sites and clinical trial investigators performing the Study, any Subcontractors permitted under Section 2.4, the data safety monitoring and advisory board relating to the Study, and Regulatory Authorities working with Syndax on the Study, in each case to the extent necessary for the performance of the Study and provided that such persons (other than governmental entities) are bound by written obligations of confidentiality and non-use at least as restrictive as the obligations contained herein.

9.2 Notwithstanding the foregoing, (i) Inventions that constitute Confidential Information and are jointly owned by the Parties shall constitute the Confidential Information of both Parties and each Party shall have the right to use and disclose such Confidential Information only as consistent with Articles 10 (*Intellectual Property*), 11 (*Reprints*) and 12 (*Press Releases and Publications*); (ii) Inventions that constitute Confidential Information and are solely owned by one Party shall constitute the Confidential Information of that Party and each Party shall have the right to use and disclose such Confidential Information only as consistent with Articles 10 (*Intellectual Property*), 11 (*Reprints*) and 12 (*Press Releases and Publications*); and (iii) use and disclosure of Clinical Data shall be governed exclusively by Sections 3.7.

9.3 All Confidential Information containing personal identifiable data shall be handled by each Party in accordance with all data protection and privacy laws, rules and regulations applicable to such Party.

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10. Intellectual Property.

10.1 Joint Ownership and Prosecution.

10.1.1 Subject to Sections 10.2 (*Inventions Owned by Syndax*) and 10.3 (*Inventions Owned by Merck*), all rights to all Inventions relating to or covering \*\*\* (each a “**Jointly Owned Invention**”) shall belong jointly to Syndax and Merck. For those countries where a specific license is required for a joint owner of a Jointly Owned Invention to practice such Jointly Owned Invention in such countries, (i) Merck hereby grants to Syndax a perpetual, irrevocable, non-exclusive, worldwide, royalty-free, fully paid-up license, transferable and sublicensable, under Merck’s right, title and interest in and to all Jointly Owned Inventions to use such Inventions, and (ii) Syndax hereby grants to Merck a perpetual, irrevocable, non-exclusive, worldwide, royalty-free, fully paid-up license, transferable and sublicensable, under Syndax’s right, title and interest in and to all Jointly Owned Inventions to use such Inventions. Each Party shall have the right to \*\*\*. For clarity, the terms of this Agreement do not provide Syndax or Merck with any rights, title or interest or any license to the other Party’s background intellectual property except as necessary to conduct the Study and as expressly set forth in Section 10.4 (*Mutual Freedom to Operate for \*\*\* Inventions*).

10.1.2 Promptly following the Effective Date, patent representatives of each of the Parties shall meet (in person or by telephone) to discuss the patenting strategy for any Jointly Owned Inventions which may arise. In particular, the Parties shall discuss which Party will file a patent application (including any provisional, substitution, divisional, continuation, continuation in part, reissue, renewal, reexamination, extension, supplementary protection certificate and the like) in respect of any Jointly Owned Invention (each, a “**Joint Patent Application**”) and whether the Parties wish to appoint joint patent counsel. In any event, the Parties shall consult and reasonably cooperate with one another in the preparation, filing, prosecution (including prosecution strategy) and maintenance of such patent application and shall \*\*\* the expenses associated with the Joint Patent Applications. In the event that one Party (the “**Filing Party**”) wishes to file a patent application for a Jointly Owned Invention and the other Party (the “**Non-filing Party**”) does not want to file any patent application for such Jointly Owned Invention or does not want to file in a particular country, the Non-filing Party shall execute such documents and perform such acts at the Filing Party’s expense as may be reasonably necessary to effect an assignment of such Jointly Owned Invention to the Filing Party (in such country or all countries, as applicable) in a timely manner to allow the Filing Party to prosecute such patent application. Likewise, if a Party (the “**Opting-out Party**”) wishes to discontinue the prosecution and maintenance of a Joint Patent Application, the other Party, at its sole option (the “**Continuing Party**”), may continue such prosecution and maintenance. In such event, the Opting-out Party shall execute such documents and perform such acts at the Continuing Party’s expense as may be reasonably necessary to effect an assignment of such Joint Patent Application to the Continuing Party (in such country or all countries, as applicable) in a timely manner to allow the Continuing Party

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to prosecute and maintain such patent application. Any Joint Patent Application or Jointly Owned Invention so assigned shall thereafter be owned solely by the Continuing Party or Filing Party (as applicable), and the Opting-out Party or Non-filing Party (as applicable) shall have \*\*\* in the applicable country or countries and, for the avoidance of doubt, any such patent, when issued, shall not be a Joint Patent

10.1.3 Except as expressly provided in Section 10.1.2 and in furtherance and not in limitation of Section 9.1, each Party agrees to make no patent application based on the other Party's Confidential Information, and to give no assistance to any Third Party for such application, without the other Party's prior written authorization.

10.1.4 \*\*\* shall have the first right to initiate legal action to enforce all Joint Patents against infringement, and to protect all Jointly Owned Inventions from misappropriation, by any Third Party where such infringement or misappropriation \*\*\*, or to defend any declaratory judgment action relating thereto, at its sole expense (subject to Section 10.1.5). In the event that \*\*\* fails to initiate or defend such action within \*\*\* after being first notified of such infringement or misappropriation, \*\*\* shall have the right, but not the obligation, to do so at its sole expense (subject to Section 10.1.5). Similarly, \*\*\* shall have the first right to initiate legal action to enforce all Joint Patents against infringement and to protect all Jointly Owned Inventions from misappropriation, by any Third Party where such infringement or misappropriation \*\*\*, or to defend any declaratory judgment action relating thereto, at its sole expense (subject to Section 10.1.5). In the event that \*\*\* fails to initiate or defend such action within \*\*\* after being first notified of such infringement, \*\*\* shall have the right, but not the obligation, to do so at its sole expense (subject to Section 10.1.5). \*\*\* shall \*\*\* coordinate legal action to enforce all Joint Patents against infringement, and to protect all Jointly Owned Inventions from misappropriation, by any Third Party where such infringement or misappropriation \*\*\*, or to defend any declaratory judgment action relating thereto, and \*\*\* the costs and expenses of such litigation \*\*\*.

10.1.5 If one Party exercises its right to initiate or defend legal action against a Third Party as set forth in Section 10.1.4 above, the other Party agrees to be joined as a party plaintiff where necessary and to give the initiating/defending Party reasonable assistance and authority to file and prosecute the suit. In such case, the costs and expenses of the non-initiating/non-defending shall be borne by that Party, but all other costs and expenses of the litigation shall be borne by the initiating/defending Party. Any damages or other monetary awards recovered shall be \*\*\* in \*\*\* to the \*\*\*. A settlement or consent judgment or other voluntary final disposition of a suit under this Section 10.1.5 may not be entered into without the consent of the Party not bringing the suit.

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10.2 *Inventions Owned by Syndax*. Notwithstanding Section 10.1 (*Joint Ownership and Prosecution*), the Parties agree that all rights to Inventions relating \*\*\* (“**Syndax \*\*\* Inventions**”) are the exclusive property of Syndax. Syndax shall be entitled to file in its own name relevant patent applications and to own resultant patent rights for any such Syndax \*\*\* Invention. For the avoidance of doubt, any Invention \*\*\*, even where the \*\*\*, is a Syndax \*\*\* Invention and the exclusive property of Syndax. Merck shall and hereby does assign to Syndax its entire right, title and interest in any such Syndax \*\*\* Inventions.

10.3 *Inventions Owned by Merck*. Notwithstanding Section 10.1 (*Joint Ownership and Prosecution*), the Parties agree that all rights to Inventions relating \*\*\* (“**Merck \*\*\* Inventions**”) are the exclusive property of Merck. Merck shall be entitled to file in its own name relevant patent applications and to own resultant patent rights for any such Merck \*\*\* Invention. For the avoidance of doubt, any Invention \*\*\*, even where the \*\*\*, is a Merck \*\*\* Invention and the exclusive property of Merck. Syndax shall and hereby does assign to Merck its entire right, title and interest in any such Merck \*\*\* Inventions.

10.4 *Mutual Freedom to Operate for \*\*\**.

(i) Syndax hereby grants to Merck a non-exclusive, worldwide, royalty-free, fully paid-up license, transferable and sublicensable, to any patent owned or controlled by Syndax which \*\*\*, solely as necessary for the Parties to conduct the Study (subject to subsection (iv) below).

(ii) Merck hereby grants to Syndax a non-exclusive, worldwide, royalty-free, fully paid-up license, transferable and sublicensable, to any patent owned or controlled by Merck which \*\*\*, solely as necessary for the Parties to conduct the Study (subject to subsection (iv) below).

(iii) For clarity, the terms of this Section 10.4 do not provide Merck or Syndax with any rights, title or interest in, or any license to, the other Party’s intellectual property rights which \*\*\* and do not grant any rights to Merck or Syndax to manufacture or have manufactured the other Party’s Compound.

(iv) Notwithstanding the foregoing, any and all licenses granted under this Section 10.4 shall \*\*\*.

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11. Reprints.

Consistent with applicable copyright and other laws, each Party may use, refer to, and disseminate reprints of scientific, medical and other published articles and materials from journals, conferences and/or symposia relating to the Study which disclose the name of a Party, provided, however that each Party acknowledges that such right does not constitute an endorsement of any commercial product or service by the other Party.

12. Press Releases and Publications.

12.1 On or immediately after the Effective Date, Syndax and Merck will issue a press release in the form attached hereto as Schedule 12.1.

12.2 To the extent required by Applicable Law, Syndax will register the Study with the Clinical Trials Registry located at [www.clinicaltrials.gov](http://www.clinicaltrials.gov). Syndax is committed to timely publication of the results following Study Completion, after taking appropriate action to secure intellectual property rights (if any) arising from the Study. The publication of the results of the Study will be in accordance with the Protocol.

12.3 Each Party shall use reasonable efforts to publish or present scientific papers dealing with the Study in accordance with accepted scientific practice. Each Party may issue a press release related to any scientific presentation or publication regarding the Study in a form mutually agreed to by the Parties.

12.4 The Parties agree that prior to submission of the results of the Study for publication or presentation or any other dissemination of results including oral dissemination, the publishing Party shall invite the other to comment on the content of the material to be published or presented according to the following procedure:

- (i) At least \*\*\* prior to submission for publication of any paper, letter or any other publication, or \*\*\* prior to submission for presentation of any abstract, poster, talk or any other presentation, the publishing Party shall provide to the other Party the full details of the proposed publication or presentation in an electronic version (cd-rom or email attachment). Upon written request from the other Party, the publishing Party agrees not to submit data for publication/presentation for an additional \*\*\* in order to allow for actions to be taken to preserve rights for patent protection.
- (ii) The publishing Party shall give reasonable consideration to any request by the other Party made within the periods mentioned in clause (i) above to modify the publication and the Parties shall work in good faith and in a timely manner to resolve any issue regarding the content for publication.
- (iii) The publishing Party shall remove all Confidential Information of the other Party before finalizing the publication.

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12.5 Syndax agrees to identify Merck and acknowledge Merck's support in any press release and any other publication or presentation of the results of the Study.

13. Representations and Warranties; Disclaimers.

13.1 Each of Syndax and Merck represents and warrants to the other that \*\*\*.

13.2 Neither Syndax nor Merck represents or warrants that the Study will lead to any particular result, nor is the success of the Study guaranteed. Neither Party accepts any responsibility for any use that the other Party may make of the Clinical Data nor for advice or information given in connection therewith.

13.3 Anti-Corruption.

13.3.1 In performing their respective obligations hereunder, the Parties acknowledge that the corporate policies of Syndax and Merck and their respective Affiliates require that each Party's business be conducted within the letter and spirit of the law. By signing this Agreement, each Party agrees to conduct the business contemplated herein in a manner which is consistent with all Applicable Law, including the U.S. Foreign Corrupt Practices Act, good business ethics, and its ethics and other corporate policies, and to abide by the spirit of the other Party's applicable ethics and compliance guidelines which may be provided by such other Party from time to time.

Specifically, each Party agrees that it has not, and covenants that it, its Affiliates, and its and its Affiliates' directors, employees, officers, and anyone acting on its behalf, will not, in connection with the performance of this Agreement, directly or indirectly, make, promise, authorize, ratify or offer to make, or take any action in furtherance of, any payment or transfer of anything of value for the purpose of influencing, inducing or rewarding any act, omission or decision to secure an improper advantage; or improperly assisting it in obtaining or retaining business for it or the other Party, or in any way with the purpose or effect of public or commercial bribery.

13.3.2 Each Party shall not contact, or otherwise knowingly meet with, any Government Official for the purpose of discussing activities arising out of or in connection with this Agreement, without the prior written approval of the other Party, except where such meeting is consistent with the purpose and terms of this Agreement and in compliance with Applicable Law.

13.3.3 Each Party represents that: (i) it has no impediment to enter into the transaction contemplated in this Agreement; and (ii) it is not excluded, debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for government programs.

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13.3.4 Each Party represents and warrants that: (1) it does not have any interest which directly or indirectly conflicts with its proper and ethical performance of this Agreement; (2) it shall maintain arm's length relations with all Third Parties with which it deals for or on behalf of the other in performance of this Agreement; and (3) it has provided complete and accurate information to the other Party in the course of negotiating this Agreement, including disclosure of any officers, employees, owners or persons directly or indirectly retained by such Party, if any, in relation to the performance of this Agreement who are Government Officials or relatives of Government Officials. Each Party shall make all further disclosures as necessary to the other Party to ensure the information provided remains complete and accurate throughout the term of this Agreement. Subject to the foregoing, each Party agrees that it shall not hire or retain any Government Official to assist in its performance of this Agreement, with the sole exception of conduct of or participation in clinical trials under this Agreement, provided that such hiring or retention shall be subject to the completion by the hiring or retaining Party of a satisfactory anti-corruption and bribery (*e.g.*, FCPA) due diligence review of such Government Official. Each Party further covenants that any future information and documentation submitted to the other Party as part of further due diligence or a certification shall be complete and accurate.

13.3.5 Each Party shall have the right during the term of this Agreement, and for a period of two (2) years following termination of this Agreement, to conduct an investigation and audit of the other Party's activities, books and records, to the extent they relate to that other Party's performance under this Agreement, solely to verify compliance with the terms of this Section 13.3. Such other Party shall cooperate fully with such investigation or audit, the scope, method, nature and duration of which shall be at the sole reasonable discretion of the Party requesting such audit.

13.3.6 Each Party shall ensure that all transactions under the Agreement are properly and accurately recorded in all material respects on its books and records and that each document upon which entries in such books and records are based is complete and accurate in all material respects. Each Party further represents, warrants and covenants that all books, records, invoices and other documents relating to payments and expenses under this Agreement are and shall be complete and accurate and reflect in reasonable detail the character and amount of transactions and expenditures. Each Party must maintain a system of internal accounting controls reasonably designed to ensure that no off-the-books or similar funds or accounts will be maintained or used in connection with this Agreement.

13.3.7 Each Party agrees that in the event that the other Party believes in good faith that there has been a possible violation of any provision of Section 13.3, such other Party may make full disclosure of such belief and related information needed to support such belief at any time and for any reason to any competent government bodies and its agencies, and to whoever such Party determines in good faith has a legitimate need to know.

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13.3.8 Each Party shall comply with its own ethical business practices policy and any Corporate Integrity Agreement to which it is subject, and shall conduct its Study-related activities in accordance with Applicable Law. Each Party agrees to ensure that all of its employees involved in performing its obligations under this Agreement are made specifically aware of the compliance requirements under this Section 13.3. In addition, each Party agrees to ensure that all such employees participate in and complete mandatory compliance training to be conducted by each Party, including specific training on anti-bribery and corruption, prior to his/her performance of any obligations or activities under this Agreement. Each Party further agrees to certify its continuing compliance with the requirements under this Section 13.3 on a periodic basis during the term of this Agreement in such form as may be reasonably requested by the other Party.

13.4 EXCEPT AS EXPRESSLY PROVIDED HEREIN, MERCK MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE MERCK COMPOUND, AND SYNDAX MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE SYNDAX COMPOUND.

14. Insurance; Indemnification; Limitation of Liability.

14.1 Insurance. Each Party warrants that it maintains a policy or program of insurance or self-insurance at levels sufficient to support the indemnification obligations assumed herein. Upon request, a Party shall provide evidence of such insurance.

14.2 Indemnification.

14.2.1 Indemnification by Syndax. Syndax agrees to defend, indemnify and hold harmless Merck, its Affiliates, and its and their employees, directors, subcontractors and agents from and against any loss, damage, reasonable costs and expenses (including reasonable attorneys' fees and expenses) incurred in connection with any claim, proceeding, or investigation by a Third Party arising out of \*\*\* (a "**Liability**"), except to the extent that such Liability \*\*\*.

14.2.2 Indemnification by Merck. Merck agrees to defend, indemnify and hold harmless Syndax, its Affiliates, and its and their employees, directors, subcontractors and agents from and against any Liability to the extent that such Liability \*\*\*.

14.2.3 Procedure. The obligations of Merck and Syndax under this Section 14.2 are conditioned upon the delivery of written notice to Merck or Syndax, as the case might be, of any potential Liability within a reasonable time after a Party becomes aware of such potential Liability. A Party will have the right to assume the

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defense of any suit or claim related to the Liability (using counsel reasonably satisfactory to the other Party) if it has assumed responsibility for the suit or claim in writing. The other Party may participate in (but not control) the defense thereof at its sole cost and expense. The Party controlling such defense (the “**Defending Party**”) shall keep the other Party (the “**Other Party**”) advised of the status of such action, suit, proceeding or claim and the defense thereof and shall consider recommendations made by the Other Party with respect thereto. The Defending Party shall not agree to any settlement of such action, suit, proceeding or claim without the prior written consent of the Other Party, which shall not be unreasonably withheld. The Defending Party shall not agree to any settlement of such action, suit, proceeding or claim or consent to any judgment in respect thereof that does not include a complete and unconditional release of the Other Party from all liability with respect thereto or that imposes any liability or obligation on the Other Party without the prior written consent of the Other Party.

14.2.4 *Study Subjects*. Syndax shall not offer compensation on behalf of Merck to any Study subject or bind Merck to any indemnification obligations in favor of any Study subject. Likewise, Merck shall not offer compensation on behalf of Syndax to any Study subject or bind Syndax to any indemnification obligations in favor of any Study subject.

14.3 LIMITATION OF LIABILITY. OTHER THAN WITH RESPECT TO DAMAGES ARISING OUT OF OR RELATED TO A PARTY’S BREACH OF ITS OBLIGATIONS UNDER THIS AGREEMENT TO USE, DISCLOSE, LICENSE, ASSIGN OR OTHERWISE TRANSFER SAMPLE TESTING RESULTS, CLINICAL DATA, CONFIDENTIAL INFORMATION AND JOINTLY-OWNED INVENTIONS ONLY AS PERMITTED HEREIN, IN NO EVENT SHALL EITHER PARTY (OR ANY OF ITS AFFILIATES OR SUBCONTRACTORS) BE LIABLE TO THE OTHER PARTY FOR, NOR SHALL ANY INDEMNIFIED PARTY HAVE THE RIGHT TO RECOVER, ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS OR DAMAGES FOR LOST OPPORTUNITIES), WHETHER IN CONTRACT, WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY OR OTHERWISE, ARISING OUT OF (x) THE MANUFACTURE OR USE OF ANY COMPOUND SUPPLIED HEREUNDER OR (y) ANY BREACH OF OR FAILURE TO PERFORM ANY OF THE PROVISIONS OF THIS AGREEMENT OR ANY REPRESENTATION, WARRANTY OR COVENANT CONTAINED IN OR MADE PURSUANT TO THIS AGREEMENT, EXCEPT THAT SUCH LIMITATION SHALL NOT APPLY TO DAMAGES PAID OR PAYABLE TO A THIRD PARTY BY AN INDEMNIFIED PARTY FOR WHICH THE INDEMNIFIED PARTY IS ENTITLED TO INDEMNIFICATION HEREUNDER.

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15. Use of Name.

Except as expressly provided herein, neither Party shall have any right, express or implied, to use in any manner the name or other designation of the other Party or any other trade name, trademark or logo of the other Party for any purpose in connection with the performance of this Agreement.

16. Force Majeure.

If in the performance of this Agreement, one of the Parties is prevented, hindered or delayed by reason of any cause beyond such Party's reasonable control (e.g., war, riots, fire, strike, governmental laws), such Party shall be excused from performance to the extent that it is necessarily prevented, hindered or delayed ("**Force Majeure**"). The non-performing Party will 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 will be of no greater scope and no longer duration than is necessary and the non-performing Party will use commercially reasonable efforts to remedy its inability to perform.

17. Entire Agreement; Modification.

The Parties agree to the full and complete performance of the mutual covenants contained in this Agreement. This Agreement, together with the Related Agreements, constitutes the sole, full and complete agreement by and between the Parties with respect to the subject matter of this Agreement, and all prior agreements, understandings, promises and representations, whether written or oral, with respect thereto are superseded by this Agreement. No amendments, changes, additions, deletions or modifications to or of this Agreement shall be valid unless reduced to writing and signed by the Parties hereto.

18. Assignment and Sub-Contracting.

Neither Party shall assign or transfer this Agreement without the prior written consent of the other Party; **provided, however**, that no such consent shall be required in connection with a Change of Control of a Party. Notwithstanding the foregoing, either Party may, without consent of the other Party, assign all or any part of this Agreement to one or more of its Affiliates, and any and all rights and obligations of either Party may be exercised or performed by its Affiliates. In the event of a Change of Control of a Party, such Party undergoing the Change of Control shall notify the other Party in writing at least \*\*\* prior to completion of such Change of Control (to the extent such notification is legally permissible prior to completion of such Change of Control, and if such notification is not legally permissible prior to such Change of Control, then such notification shall be provided to the other Party in writing simultaneously with the first

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public announcement with respect to such Change of Control). Any permitted assignee of a Party (which assignee shall include the Third Party in a Change of Control situation under Section 1.8(b)) shall, in writing to the non-assigning Party, expressly assume the obligation to perform this Agreement. Any attempted assignment not in accordance with this Section 18 shall be null and void and of no legal effect. The terms and conditions of this Agreement shall be binding upon, and shall inure to the benefit of, the Parties and their respected successors and permitted assigns.

19. Invalid Provision.

If any provision of this Agreement is held to be illegal, invalid or unenforceable, the remaining provisions shall remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision. In lieu of the illegal, invalid or unenforceable provision, the Parties shall negotiate in good faith to agree upon a reasonable provision that is legal, valid and enforceable to carry out as nearly as practicable the original intention of the entire Agreement.

20. No Additional Obligations.

Syndax and Merck have no obligation to renew this Agreement or apply this Agreement to any clinical trial other than the Study. Neither Party is under any obligation to enter into another type of agreement at this time or in the future.

21. Dispute Resolution and Jurisdiction.

21.1 The Parties shall attempt in good faith to settle all disputes arising out of or in connection with this Agreement in an amicable manner. Any claim, dispute or controversy arising out of or relating to this Agreement, including the breach, termination or validity hereof or thereof (each, a “**Dispute**”), shall be governed by and construed in accordance with the substantive laws of the State of New York, without giving effect to its choice of law principles.

21.2 Nothing contained in this Agreement shall deny either Party the right to seek injunctive or other equitable relief from a court of competent jurisdiction in the context of a bona fide emergency or prospective irreparable harm, and such an action may be filed or maintained notwithstanding any ongoing discussions between the Parties.

22. Notices.

All notices or other communications that are required or permitted hereunder shall be in writing and delivered personally, sent by facsimile (and promptly confirmed by personal delivery or overnight courier), or sent by internationally-recognized overnight courier addressed as follows:

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If to Merck, to:

MSD International GmbH  
Weystrasse 20  
6000 Luzern  
Switzerland  
Attention: Director  
Facsimile: \*\*\*

With a copy to:

Merck Sharp & Dohme Corp.  
One Merck Drive  
P.O. Box 100  
Whitehouse Station, NJ 08889-0100  
Attention: Office of Secretary  
Facsimile No.: \*\*\*

If to Syndax, to:

Syndax Pharmaceuticals, Inc.  
400 Totten Pond Road, Suite 110  
Waltham, MA 02451  
Attention: Chief Business Officer  
Facsimile No.: (781) 419-1420

23. Relationship of the Parties.

The relationship between the Parties is and shall be that of independent contractors, and does not and shall not constitute a partnership, joint venture, agency or fiduciary relationship. Neither Party shall have the authority to make any statements, representations or commitments of any kind, or take any actions, which are binding on the other Party, except with the prior written consent of the other Party to do so. All persons employed by a Party will be the 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.

24. Counterparts and Due Execution.

This Agreement and any amendment may be executed in two (2) or more counterparts (including by way of facsimile or electronic transmission), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, notwithstanding any electronic transmission, storage and printing of copies of

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this Agreement from computers or printers. When executed by the Parties, this Agreement shall constitute an original instrument, notwithstanding any electronic transmission, storage and printing of copies of this Agreement from computers or printers. For clarity, facsimile signatures and signatures transmitted via PDF shall be treated as original signatures.

25. Construction.

Except where the context otherwise requires, wherever used, the singular will include the plural, the plural the singular, the use of any gender will be applicable to all genders, and the word "or" is used in the inclusive sense (and/or). Whenever this Agreement refers to a number of days, unless otherwise specified, such number refers to calendar days. The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term "including" as used herein shall be deemed to be followed by the phrase "without limitation" or like expression. The term "will" as used herein means shall. References to "Article," "Section" or "Appendix" are references to the numbered sections of this Agreement and the appendices attached to this Agreement, unless expressly stated otherwise. Except where the context otherwise requires, references to this "Agreement" shall include the appendices attached to this Agreement. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction will be applied against either Party hereto.

*[Remainder of page intentionally left blank.]*

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IN WITNESS WHEREOF, the respective representatives of the Parties have executed this Agreement as of the Effective Date.

**MSD International GmbH**

By: \*\*\*  
\_\_\_\_\_

\*\*\*  
\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title: \*\*\*

**Syndax Pharmaceuticals, Inc.**

By: /s/ Robert Goodenow  
\_\_\_\_\_

Robert Goodenow  
\_\_\_\_\_  
Name:

Chief Business Officer  
\_\_\_\_\_  
Title:

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Appendix A

PROTOCOL SUMMARY

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**\*\*\* INDICATES 19 PAGES OF MATERIAL THAT WERE OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

SUPPLY OF COMPOUNDS

\*\*\*

**\*\*\* INDICATES 1 PAGE OF MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

DATA SHARING AND SAMPLE TESTING SCHEDULE

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Schedule 2.4

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**LICENSE, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT**

Dated December 19, 2014

by and between

SYNDAX PHARMACEUTICALS, INC.

and

KYOWA HAKKO KIRIN CO., LTD.

**LICENSE, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT**

THIS LICENSE, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT (as modified or amended in accordance with the terms hereof, the “**Agreement**”) is entered into as of December 19, 2014 (the “**Effective Date**”) by and between Syndax Pharmaceuticals, Inc., a Delaware corporation having a place of business at 400 Totten Pond Road, Suite 110, Waltham, MA 02451 USA (“**Syndax**”), and Kyowa Hakko Kirin Co., Ltd., a Japanese corporation having a place of business at 1-6-1 Ohtemachi, Chiyoda-ku, Tokyo 100-8185, Japan (“**KHK**”).

**RECITALS**

**WHEREAS**, Syndax possesses and/or has licensed from Bayer certain Patent and other IP rights to ENTINOSTAT and related backup compounds and possesses certain additional intellectual property rights and proprietary interests related to ENTINOSTAT and related backup compounds;

**WHEREAS**, KHK wishes to obtain license and sublicenses from Syndax under the Syndax Patents and the Syndax Know-How with respect to the Compound and the Product in the Territory and Syndax is willing to grant such licenses to KHK and permitted and authorized to grant such sublicenses in accordance with the terms of the Bayer License Agreement and in accordance to the terms and conditions set forth herein;

**WHEREAS**, the Parties wish to set forth additional terms and conditions applicable to the Development and Commercialization of the Product in the Territory; and

**WHEREAS**, Syndax has obtained Bayer’s consent to the license granted by Syndax to KHK under this Agreement (as attached hereto as Exhibit C) which is acceptable in form and content to KHK.

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual covenants contained herein, and other valuable consideration received by the Parties, the Parties hereto agree as follows:

**ARTICLE 1  
DEFINITIONS**

For the purposes of this Agreement, the following definitions shall apply, and the terms defined herein in plural shall include the singular and vice-versa.

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“**Action Date**” means, with respect to a legal action in connection with a Product Infringement, the date that is the earlier of (a) \*\*\* following receipt or delivery of notice and evidence of Product Infringement pursuant to Section 10.3.1, and (b) \*\*\* before the date after which a legal action would be substantively limited or compromised with respect to the remedies available against the alleged Third Party infringer.

“**Additional Syndax Patent**” means all Patents in the Territory that are not Controlled by Syndax on the Effective Date but are Controlled by Syndax at any time during the Term after the Effective Date and Cover the Development, Manufacturing, or Commercialization of, the Compound or Products in the Territory; provided, however, that the Additional Syndax Patents shall not include any Patents licensed from a Third Party after the Effective Date unless it is licensed pursuant to a Third Party License; further provided, however, that after KHK’s election to exclude a Patent from Additional Syndax Patents pursuant to Section 2.10, such excluded Patent thereafter shall no longer constitute an Additional Syndax Patent. Without limiting the foregoing, Additional Syndax Patents shall include those Patents listed in Exhibit A under the heading “Additional Syndax Patents” as updated from time to time by Syndax pursuant to Section 2.10. Additional Syndax Patents shall include any Patents in the Territory that become Bayer Patents after the Effective Date.

“**Affiliate**” means, with respect to a Party hereto, any corporation, partnership, joint venture or other business entity which, at the time of determination, is controlled by, controlling or under common control with such Party. For purposes of the definition of “Affiliate”, “control” means direct or indirect beneficial ownership of more than fifty percent (50%) of the voting stock, equity or participating profit interest of such corporation or other business entity (provided that, if Applicable Law requires a minimum percentage of local ownership, control shall be established by direct or indirect beneficial ownership of one hundred percent (100%) of the maximum ownership percentage that may, under such Applicable Law, be owned by foreign interests) or the power to direct or cause the direction of the management or policies of a Party, whether through the ownership of voting securities, by contract or otherwise. When used in reference to an entity that is not Party (such as the reference to an Affiliate of Bayer in Section 12.2), “Affiliate” shall have the same meaning, applied *mutatis mutandis*.

“**Agreement**” shall have the meaning set forth in the first paragraph of this License Agreement.

“**API**” means active pharmaceutical ingredients of a Product.

“**Applicable Law**” means all applicable laws, statutes, rules, regulations, directives, decisions, ordinances, guidelines and other pronouncements of any Governmental Authority.

“**Auditor**” shall have the meaning set forth in Section 9.3.

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**“Back-Up Compound”** shall mean any compounds (and any metabolite, salt, polymorph, hydrate, semihydrate or degradant thereof) Controlled by Syndax at any time during the Term that (a) is an HDAC Class I Selective Inhibitor other than Entinostat (and other than any metabolite, salt, polymorph, hydrate, semihydrate or degradant of Entinostat) and (b) has been is being developed by Syndax, as of the Effective Date or at any time during the Term, to prevent, treat, and/or diagnose cancer.

**“Bayer”** means Bayer Pharma AG (formerly Bayer Schering Pharma AG).

**“Bayer Intellectual Property”** means the Bayer Know-How and the Bayer Patents.

**“Bayer Know-How”** means the Bayer Know-How as defined in the Bayer License Agreement.

**“Bayer License Agreement”** means that certain License, Development and Commercialization Agreement entered into between Bayer and Syndax, dated as of March 26, 2007, as amended.

**“Bayer IP Enforcement Action”** shall have the meaning set forth in Section 10.3.2.

**“Bayer Patents”** means the Bayer Patents as defined in the Bayer License Agreement.

**“Business Day”** means a day (other than a Saturday, Sunday or national holiday) on which banking institutions in each of Tokyo, Japan, Seoul, Korea and New York City, New York are open to the public for conducting business and neither is authorized or required by law to close.

**“Claim”** shall have the meaning set forth in Section 12.1.

**“Clinical Quality Agreement”** shall have the meaning set forth in Section 7.3.

**“Clinical Supply Agreement”** shall have the meaning set forth in Section 7.2.

**“Clinical Trials”** means human clinical trials with respect to the use of the Product in the Field.

**“CMC”** means, with respect to any NDA, the Chemistry, Manufacturing and Controls section of such NDA.

**“Commercial Quality Agreement”** shall have the meaning set forth in Section 7.3.

**“Commercial Supply Agreement”** shall have the meaning set forth in Section 7.2.

**“Commercialize”** or **“Commercialization”** means all of the activities usually and customarily undertaken by a pharmaceutical company to accomplish the packaging, storage,

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distribution, sale, Marketing, import, export, post-marketing activities and compliance with applicable legal and regulatory requirements relating to the foregoing activities in respect of active pharmaceutical ingredients, compounds and products similar to Entinostat or the Products that are the subject of this Agreement. Commercialization expressly excludes Manufacturing activities.

**“Commercially Reasonable Efforts”** means the level of effort and standard practices consistent with the usual practices followed by similarly-situated pharmaceutical companies in pursuing research, development, commercialization and marketing of their pharmaceutical products with comparable potential, market, risk, and revenues, taking into account all relevant factors including product labeling or anticipated labeling, present and future market potential, past performance of such product and such Party’s other pharmaceutical products that are of similar market potential, financial return, medical and clinical considerations, present and future regulatory environment and competitive market conditions, all as measured by the facts and circumstances at the time such efforts are due.

**“Competing Product”** means any pharmaceutical product (other than a Product) to which both of the following applies: (1) it has the same indication as a Product sold in the Territory, and (2) it contains an active pharmaceutical ingredient that is an HDAC Class I Selective Inhibitor. Solely for purposes of this definition, all forms of cancer shall be considered to be the same indication.

**“Compound”** means Entinostat (and any metabolite, salt, polymorph, hydrate, semihydrate or degradant thereof that Syndax may develop during the Term) and all Back-Up Compounds.

**“Confidential Information”** means all confidential or proprietary information, materials and Know-How (whether or not patentable) of a Party, including the Syndax Know-How, other invention disclosures, technology, libraries, targets, compounds, economic information, business or research strategies and trade secrets, and any and all embodiments thereof, disclosed by a Party to the other Party, whether in oral, written or other form, which is either marked “confidential” or “proprietary” or, if disclosed orally or in other intangible form that cannot be so marked, in such case identified as confidential or proprietary at the time of disclosure and described in a writing which is marked “confidential” or “proprietary” and transmitted to the receiving Party within \*\*\* of such disclosure. Without limiting the foregoing, the terms and existence of this Agreement shall constitute the Confidential Information of each Party hereto.

**“Control”** means, with respect to any material, information, or intellectual property right, that a Party owns or has a license or right to such material, information, or intellectual property right and has the ability to grant to the other Party access, a license, or a sublicense (as applicable) to such material, information, or intellectual property right on the terms and conditions set forth herein without violating the terms of any then-existing agreement or other arrangement with any Third Party.

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“**Cover(ed)**” means, with respect to any Patent and the subject matter at issue, that, but for a license granted under a such Patent, the sale, offer for sale, exportation, importation or manufacture of the subject matter at issue would infringe such Patent, or in the case of a Patent that is a patent application, would infringe a claim in a Patent issued from such patent application if the currently pending claims of such patent application were to be issued as a Patent.

“**Develop**”, “**Developing**” or “**Development**” means all activities relating to non-clinical, preclinical studies and Clinical Trials, toxicology testing, statistical analysis and reporting, necessary or reasonably useful or otherwise requested or required by a Regulatory Authority as a condition or in support of obtaining or maintaining all Regulatory Approvals for the Compound or Product in the applicable indication and applicable territory, but expressly excludes basic research or any activities related to Commercialization or Manufacturing. For clarity, “Develop” shall include conducting in vitro, in vivo or in silico studies for the purpose of determining which indication to pursue or for the purpose of supporting Commercialization of the Product.

“**Development Data**” means any and all research data, pharmacology data, chemistry, manufacturing and control data, preclinical data, clinical data and all other documentation (including raw data) compiled, developed or generated with respect to the Compound or Product.

“**Development Plan**” shall have the meaning set forth in [Section 4.2.1](#).

“**Disclosing Party**” shall have the meaning set forth in [Section 14.1](#).

“**DMFs**” shall mean drug master files.

“**Dollars**” or “**\$**” means United States dollars.

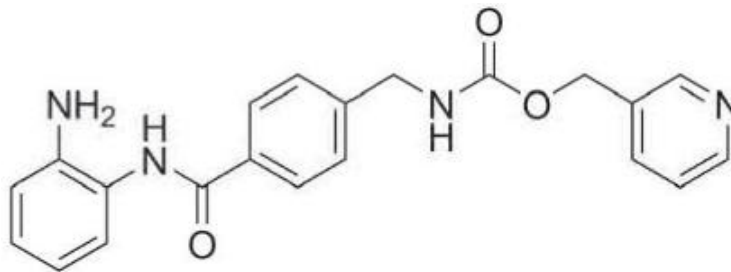
“**ECOG License Agreement**” shall have the meaning set forth in [Section 2.3.4\(i\)](#).

“**Effective Date**” shall have the meaning set forth in the Preamble.

“**Enforcement Action**” shall have the meaning set forth in [Section 10.3.3](#).

“**Entinostat**” means the compound 3-Pyridylmethyl N-{4-[(2-aminophenyl)carbonyl] benzyl}carbamate (also known as N-(2-aminophenyl)-4-[N-(pyridin-3-ylmethoxycarbonyl) aminomethyl]benzamide), with the molecular formula  $C_{21}H_{20}N_4O_3$  and the structure set forth below, and all formulations and crystal forms thereof.

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“**Existing Third Party License**” means the Bayer License Agreement and any other agreement pursuant to which Syndax, as of the Effective Date, has licensed Third Party IP. Notwithstanding the foregoing, that certain Exclusive License Agreement between Syndax and the \*\*\*, dated as of \*\*\* is deemed not to be an Existing Third Party License.

“**FDA**” means the United States Food and Drug Administration, including any successor drug regulatory entity thereto.

“**FDCA**” means the United States Federal Food, Drug and Cosmetic Act of 1938, as amended from time to time, and the regulations promulgated thereunder.

“**Field**” means the prevention, treatment and diagnosis of any human disease; provided, however, that with respect to the grant of a sublicense herein to KHK under the rights licensed to Syndax pursuant to the Bayer License Agreement, “Field” is limited to “the treatment of any human disease” or any other uses or field the Syndax later acquires under the Bayer License Agreement during the Term.

“**First Commercial Sale**” means, with respect to a Product, the first sale of such Product by or on behalf of KHK or its Affiliates to a Third Party (including wholesalers or distributors), after receipt of Regulatory Approval for such Product in the Territory.

“**First Indication**” shall have the meaning set forth in [Section 4.3](#).

“**Generic Entry**” shall have the meaning set forth in [Section 8.5.1\(iii\)](#).

“**Generic Product**” means, with respect to the Product in a given country, a product sold in such country by a Third Party (other than a sublicensee of KHK or any other Third Party authorized to sell such product by, or otherwise in the chain of distribution of, KHK or a KHK Affiliate or Sublicensee) that (a) contains the same active ingredient(s) as the Product, or any base form, salt form, prodrug form, ester, ether, isomer, crystalline polymorph, hydrate or solvate of such active ingredients (but no more pharmaceutically active ingredients than is contained in the Product), and (b) is approved or registered for use in such country pursuant to any drug approval process based solely on (A) (x) reference to a Regulatory Approval for such Product held by KHK, Syndax, or one of their respective Affiliates or licensees, whether in such country or in another country, and/or (y) reference to other publicly available clinical data with respect to such Product generated by KHK, Syndax, or one of their respective Affiliates or licensees, and (B) a demonstration of bioequivalence to such Product.

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**“Good Clinical Practices”** or **“GCP”** means, as applicable, (i) the then-current standards, practices and procedures promulgated or endorsed by the FDA for the design, conduct, performance, monitoring, auditing, recording, analyses, and reporting of clinical trials, including the requirements set forth in 21 C.F.R. Parts 11, 50, 54, 56, 312, and 314 and including any related regulatory requirements imposed by the FDA, and (ii) any comparable regulatory standards, practices and procedures in jurisdictions outside of the U.S., in each case as they may be updated from time to time, that provide assurance that the data and reported results are credible and accurate, and that the rights, integrity, and confidentiality of trial subjects are protected.

**“Good Laboratory Practices”** or **“GLP”** means all applicable Good Laboratory Practice standards, including, as applicable, (i) as set forth in the then-current good laboratory practice standards promulgated or endorsed by the FDA as defined in 21 C.F.R. Part 58, and (ii) the equivalent Applicable Law in any relevant country, each as may be amended and applicable from time to time.

**“Good Manufacturing Practices”** or **“GMP”** means all applicable Good Manufacturing Practices including, as applicable, (i) the principles detailed in the U.S. Current Good Manufacturing Practices, 21 C.F.R. Sections 210, 211, 601 and 610, (ii) the principles detailed in the ICH Q7A guidelines, and (iii) the equivalent Applicable Law in any relevant country, each as may be amended and applicable from time to time.

**“Governmental Authority”** means any multinational, federal, state, local, municipal or other governmental authority of any nature (including any governmental division, prefecture, subdivision, department, agency, bureau, branch, office, commission, council, court or other tribunal), in each case, having jurisdiction over the applicable subject matter.

**“HDAC Class I Selective Inhibitor”** means any compound that (a) has greater than \*\*\* inhibition against HDAC class I at \*\*\* and (b) has less than \*\*\* inhibition against \*\*\* at \*\*\*.

**“IND”** means (a) an Investigational New Drug Application (as defined in 21 C.F.R. Part 312) that is required to be submitted to the FDA before beginning clinical testing of a Product in human subjects, or any successor application or procedure, or (b) any counterpart of an Investigational New Drug Application (such as an import drug license) that is required in the Territory before beginning clinical testing of a Product in human subjects in such country.

**“Initial Delivery of Information and Materials”** shall have the meaning set forth in Section 2.3.1.

**“Initial Product”** means the Product containing Entinostat that as of the Effective Date is being developed by Syndax and is the subject of an Investigational New Drug (as defined in the FDCA) application in the United States, as such Product may be modified in the ordinary course of Development.

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**“Initial Syndax Patents”** means all Patents in the Territory that are Controlled by Syndax at the time of the Effective Date that Cover the Development, Manufacturing, or Commercialization of, the Compound or Products in the Territory. Without limiting the foregoing, Initial Syndax Patents includes those Patents listed in Exhibit A under the heading “Initial Syndax Patents”. Initial Syndax Patents includes all Bayer Patents in the Territory that exist on the Effective Date.

**“Inspection”** shall have the meaning set forth in Section 9.3.

**“Interest Rate”** means the annual rate equal to the prime rate quoted in the *Wall Street Journal* (as available at its website) plus \*\*\*, calculated daily on the basis of a three hundred sixty (360) day year, or if lower, the maximum rate permitted by Applicable Law.

**“Invention”** means any invention, process, machine, formulation, manufacture, use or composition of matter related to the Compound or the Product, and any improvement thereof.

**“Joint Invention”** shall have the meaning set forth in Section 10.1.

**“JSC”** shall have the meaning set forth in Section 3.1.

**“KHK”** shall have the meaning set forth in the first paragraph of this Agreement.

**“KHK Development Partner”** shall have the meaning set forth in Section 2.3.4(ii).

**“KHK Improvements”** shall have the meaning set forth in Section 2.4.1.

**“KHK Improvements License”** shall have the meaning set forth in Section 2.4.1.

**“KHK Parties”** shall have the meaning set forth in Section 5.7.2.

**“KHK Trademarks”** shall have the meaning set forth in Section 10.8.1.

**“Know-How”** means any and all proprietary information, including all patentable and non-patentable inventions, discoveries, technologies, methods, knowledge, know-how, trade secrets, experience, skill, techniques, disclosure claims, formulas, processes, procedures, compounds, compositions of matter, assays, materials, specifications, descriptions, results and data (including physical, chemical, biological, toxicological, pharmacological, manufacturing, regulatory, analytical, commercial, pre-clinical and clinical data). Notwithstanding the foregoing, Know-How excludes Patents.

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“**Knowledge**” shall have the meaning set forth in Section 11.4.

“**Losses**” shall have the meaning set forth in Section 12.1.

“**Manufacture**” or “**Manufacturing**” means all activities related to the manufacture and/or supply of the Product, or any ingredient thereof, including manufacturing for clinical use or commercial sale, in-process and Product testing, handling, transport, and storage of Product and ongoing stability tests and regulatory activities related to any of the foregoing, excluding any activities related to PTP packaging or final packaging for the Product.

“**Marketing**” means all activities related to the marketing or sales promotion of the Product in the Territory.

“**Marketing Authorization Holder**” means a person who possesses all Regulatory Approvals for any particular indication in the Territory in such person’s name and who will manage all interactions with Regulatory Authorities regarding such Regulatory Approval.

“**Marketing Plan**” shall have the meaning set forth in Section 6.2.

“**MFDS**” means the Ministry of Food and Drug Safety in Korea, or such other Regulatory Authority as may replace it or otherwise have the authority to grant Regulatory Approval for Product in Korea.

“**MHLW**” means the Ministry of Health, Labour and Welfare in Japan, or such other Regulatory Authority as may replace it or otherwise have the authority to grant Regulatory Approval for Product in Japan.

“**NDA**” means, in the United States, a New Drug Application (as defined in the FDCA), and/or any amendment or supplement thereto, and, in any other jurisdiction, the applicable local equivalent required in accordance with Applicable Law.

“**Necessary Third Party License**” shall have the meaning set forth in Section 2.9.

“**Net Recovery**” shall have the meaning set forth in Section 10.7.

“**Net Sales**” means, with respect to the Product, the gross amount invoiced by KHK or its Affiliates or Sublicensees for sales or other disposition of the Product in the Territory, less deductions for: (a) transportation charges, including insurance actually paid; (b) sales and excise taxes and duties and tariffs paid or allowed by a selling party and any other governmental charges imposed upon the production, inspection, use or sale of the Product; (c) any distributors fees, rebates or allowances, quantity or cash discounts, chargebacks, or fees actually granted in the ordinary course of business; (d) allowances or credits to customers, not in excess of the selling price of the Product, on account of governmental requirements, rejection, outdating or return of the Product. For the purpose of calculating Net Sales, the Parties recognize that KHK’s,

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its Affiliates' or Sublicensees', customers may include parties in the chain of commerce who enter into agreements with KHK, its Affiliates or Sublicensees, as to price even though legal title to the Product does not pass directly from KHK, its Affiliates or Sublicensees, to such customers, and even though payment for such Product is not made by such customers to KHK, its Affiliates or Sublicensees, and that in such cases, chargebacks paid by KHK, its Affiliates and Sublicensees, to or through a Third Party (such as a wholesaler) can be deducted from gross revenues in order to calculate Net Sales. Sales between KHK and its Affiliates shall be excluded from the computation of Net Sales, except where such entities are end users, in which case Net Sales shall include sales between KHK and said Affiliates; provided however, that if said Affiliates are using such Product solely for research or clinical testing purposes, indigent or other public support programs, then such sales between KHK and said Affiliates shall be excluded from the computation of Net Sales. Upon the sale or other disposal of the Product (other than in a bona fide arms' length transaction exclusively for money) or upon any use of the Product for purposes which do not result in a disposal of the Product in consideration of sales revenue customary in the country of use, such sale, other disposal or use shall be deemed to constitute a sale at the relevant open market price in the country in which the sale, other disposal or use occurs, or, if that price is not ascertainable, a reasonable price assessed on an arms' length basis for the goods or services provided in exchange of the supply; provided, however, that the disposal (but not sale) by KHK, its Affiliates or Sublicensees of Product for promotional sampling (as is customary in the pharmaceutical industry in the applicable countries within the Territory) shall not be included in Net Sales. For Product that is sold in currencies other than Dollars, Net Sales shall be converted into Dollars at the exchange rate of the last Business Day of the applicable calendar quarter, where the applicable exchange rate shall be the New York Closing Snapshot rate published in the *Wall Street Journal* (as available at its website), or if no such buying rate is available for the relevant currency, at a rate mutually agreed by the Parties. KHK acknowledges and agrees that the calculation of Net Sales under this Agreement is intended to match exactly the calculation of Net Sales under the Bayer License Agreement.

**"Net Selling Price"** means the amount calculated in accordance with the following formula: Net Sales of a Product in a calendar year divided by the total sales volume of such Product in the same calendar year.

**\*\*\* Development Data** shall have the meaning set forth in Section 2.3.4(i).

**"NHI Price"** means the reimbursement price of the Product established from time to time by relevant Governmental Authority in the Territory.

**"Out-of-Pocket Costs"** means costs actually paid or accrued to Third Parties.

**"Party"** or **"Parties"** means KHK and/or Syndax.

**"Patent"** means (i) all issued and existing patents, any extensions, supplemental protection certificates, registrations, confirmations, substitutions, reissues, reexaminations or renewals thereof, and utility model filings; (ii) all pending provisional applications, non-provisional applications and converted provisional applications; and (iii) all continuation, divisional, or continuation-in-part patent applications.

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**“Product”** means any pharmaceutical formulation that contains the Compound.

**“Product Complaint”** means any written, verbal or electronic expression of dissatisfaction regarding any Product sold by or on behalf of KHK, its Affiliates or its permitted Sublicensees or distributors in the Territory, including reports of actual or suspected product tampering, contamination, mislabeling or inclusion of improper ingredients.

**“Product Infringement”** shall have the meaning set forth in Section 10.3.3.

**“Promotional Materials”** means all written, printed, video or graphic advertising, promotional, educational and communication materials (other than the Product labels and package inserts) for marketing, advertising and promoting of the Product in the Field in the Territory, for use (i) by a sales representative, a wholesaler or a distributor, or (ii) in advertisements, web sites or direct mail pieces.

**“Prosecute” or “Prosecution”** means the procedures and practices necessary or advisable to obtain and maintain Patents, including those procedures and practices necessary or advisable to prepare and file patent applications, respond to office actions and other requests of administrative agencies such as the U.S. Patent and Trademark Office and counterparts thereof outside the United States, and conduct interferences, reexaminations, reissues, oppositions, and the like before such administrative agencies and, if applicable, those procedures and practices necessary or advisable to obtain patent term restoration or supplemental protection certificates or their equivalents.

**“Publications”** shall have the meaning set forth in Section 14.6.

**“PV Agreement”** shall have the meaning set forth in Section 5.3.

**“Quality Agreements”** shall have the meaning set forth in Section 7.3.

**“Recall”** shall have the meaning set forth in Section 5.7.2.

**“Recall Costs”** shall have the meaning set forth in Section 5.7.2.

**“Receiving Party”** shall have the meaning set forth in Section 14.1.

**“Regulatory Approval”** means the approval of a Governmental Authority necessary for the manufacturing, marketing and sale of the Product in a given country or regulatory jurisdiction, which may include the approval of an NDA or the provision of an import drug license.

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**“Regulatory Authority”** means the governmental entities or quasi-governmental entities or its agencies in each country of the Territory with the authority to any matters related to Regulatory Approvals, including the MHLW and the MFDS.

**“Regulatory Materials”** means regulatory applications, submissions, notifications, communications, correspondence, registrations, Regulatory Approvals and/or other filings made to, received from or otherwise conducted with a Regulatory Authority that are necessary in order to Develop, Manufacture, obtain marketing authorization, market, sell or otherwise Commercialize the Product in a particular country or regulatory jurisdiction (including any applicable DMFs, CMC data, or similar documentation) and all supporting documents in connection therewith, including any Development Data referenced or incorporated therein. Regulatory Materials include INDs, NDA’s, presentations, responses, and applications for other regulatory approvals.

**“Reimbursement Cap”** shall have the meaning set forth in Section 7.1.

**“Royalty Term”** shall have the meaning set forth in Section 8.6.

**“Senior Officers”** shall have the meaning set forth in Section 3.4.2.

**“Sole Invention”** shall have the meaning set forth in Section 10.1.

**“Specifications”** means the Manufacturing, performance, quality-control, and packaging and labeling specifications for the Initial Product in a given country in the Territory, which are initially as set forth in the applicable Regulatory Approval for the Initial Product and are set forth on Exhibit B, as such specifications may be amended from time to time pursuant to the terms of this Agreement and/or the Quality Agreements.

**“Sublicensee”** mean a permitted sublicensee of KHK in accordance with Section 2.2.

**“Supply Agreement”** shall have the meaning set forth in Section 7.2.

**“Supply Failure”** shall have the meaning set forth in Section 7.6.1.

**“Syndax”** shall have the meaning set forth in the first paragraph of this Agreement.

**“Syndax Development Partner”** shall have the meaning set forth in Section 2.3.4(i).

**“Syndax Know-How”** means any and all Know-How that is Controlled by Syndax (including the Bayer Know-How) at any time during the Term and that is necessary or useful for the Development, Manufacturing or Commercialization of the Compound or Products in the Territory; provided, however, that the Syndax Know-How shall not include any Know-How licensed from a Third Party after the Effective Date unless it is licensed pursuant to a Third Party License (it being understood that this proviso shall not prevent any Bayer Know-How from being included in Syndax Know-How).

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“**Syndax Licensee Improvements**” shall have the meaning set forth in Section 2.11.

“**Syndax Parties**” shall have the meaning set forth in Section 5.7.2.

“**Syndax Patents**” means all Initial Syndax Patents and Additional Syndax Patents which shall be listed in Exhibit A, as updated from time to time.

“**Syndax Trademarks**” means any trademarks, and all registrations or applications for registration thereof, that are used or intended to be used in connection with the Commercialization of the Product, to the extent filed in the Territory and Controlled by Syndax or its Affiliates at any time during the Term.

“**Technology Transfer**” shall have the meaning set forth in Section 7.6.2

“**Term**” shall have the meaning set forth in Article 13.

“**Territory**” means Japan and Korea \*\*\*.

“**Territory Trials**” shall have the meaning set forth in Section 4.1.

“**Third Party**” means a person or entity other than a Party to this Agreement, its respective Affiliates and their employees and personnel.

“**Third Party IP**” means any Patent or Know-How that is licensed or sublicensed to Syndax by a Third Party and that either (a) is a Syndax Patent or Syndax Know-How or (b) would be a Syndax Patent or Syndax Know-How if Controlled by Syndax in the Territory.

“**Third Party Licenses**” shall mean (a) all Existing Third Party Licenses and (b) all other agreements between Syndax and Third Parties pursuant to which Syndax acquires rights under any Third Party IP that KHK elects to include in the Syndax Patent and/or Syndax Know-How pursuant to Section 2.9.

“**Transfer Price**” shall have the meaning set forth in Section 8.5

“**Valid Claim**” means a claim (including a process, use, or composition of matter claim) of an issued and unexpired Patent in the Syndax Patents that Covers the Development, Commercialization or Manufacture of the Compound or a Product and that has not been held invalid or unenforceable by a patent office, court or other governmental agency or an intergovernmental agency of competent jurisdiction, which holding is unappealable or unappealed within the time allowed for appeal, and that has not been admitted to be invalid by the owner through reissue, disclaimer or otherwise.

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The following Exhibits are attached hereto and expressly incorporated into this Agreement:

Exhibit A – Syndax Patents: (1) Initial Syndax Patents (2) Additional Syndax Patents

Exhibit B – Specifications

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**ARTICLE 2**  
**LICENSE**

**2.1 Licenses to KHK.**

2.1.1 Subject to the terms and conditions of this Agreement, Syndax hereby grants to KHK the exclusive (even as to Syndax) license in the Territory, with the right to sublicense (subject to Section 2.2), under the Syndax Patents and the Syndax Know-How, to (a) Develop Products for use in the Field in the Territory; and (b) Commercialize Products in the Field in the Territory. Upon request of KHK or its Affiliates or Sublicensees, and at their own cost and expense, Syndax shall fully cooperate, and shall use Commercially Reasonable Efforts to cause Bayer or other patent owner of Syndax Patents to fully cooperate, with KHK or its Affiliates or Sublicensees in registering with patent offices in the Territory the exclusive licenses (*senyo jissshiken* in Japan and the equivalent in Korea), including any sublicense, to Syndax Patents granted under this Agreement.

2.1.2 Subject to the terms and conditions of this Agreement, including the terms set forth in Section 10.8, Syndax hereby grants to KHK an exclusive (even as to Syndax) license, with the right to sublicense (subject to Section 2.2), to use the Syndax Trademarks solely in connection with the Commercialization of the Product in the Field in the Territory. The foregoing license shall be subject to KHK's compliance with Syndax's trademark guidelines and quality control provisions, as communicated to KHK from time to time. Upon request of KHK or its Affiliates or Sublicensees, and at their own cost and expense, Syndax shall fully cooperate with KHK or its Affiliates or Sublicensees in registering with trademark offices in the Territory the exclusive licenses (*senyo shiyoken* in Japan and the equivalent in Korea), including sublicenses, to Syndax Trademarks granted under this Agreement.

2.2 Sublicenses. KHK (or its Affiliates) shall be permitted to sublicense the rights granted to it hereunder, subject to the prior written consent of Syndax, which shall not be unreasonably withheld, conditioned or delayed. KHK, however, acknowledges that any of its sublicenses under the Syndax Patents licensed to Syndax from Bayer will require the prior written consent of Bayer, which shall not be unreasonably refused and which Syndax will use Commercially Reasonable Efforts to obtain, but Syndax shall not be liable to KHK if Bayer fails to provide such consent. KHK and the applicable Sublicensee shall document each such sublicense in writing, and the terms of the written sublicense shall be consistent with this Agreement. Without limiting the generality of the foregoing, each such written sublicense shall (a) require the applicable Sublicensee to comply with the terms of this Agreement; (b) require that, upon a termination of such sublicense, the Sublicensee must assign to KHK, and provide to KHK full copies of, all Regulatory Approvals and INDs, NDAs and other similar regulatory filings that relate to Products and/or Compounds and are owned or Controlled by such Sublicensee, (such that KHK will be able to, pursuant to Section 13.5.3, assign to Syndax, and provide Syndax with full copies of, all such Regulatory Approvals and regulatory filings upon termination of this Agreement); and (c) explicitly state that such sublicense will immediately terminate upon termination of this Agreement. KHK shall be responsible for its Sublicensee's

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actions and omissions with respect to this Agreement. Promptly after the execution of each written sublicense agreement, KHK shall provide to Syndax a true and complete copy of such agreement; provided, however, that any financial or other information may be redacted to the extent not applicable to the Sublicensee's compliance with this Agreement. Syndax shall be permitted to provide such redacted copy to Bayer in confidence. Notwithstanding the foregoing, KHK shall be permitted to sublicense to its Affiliates the rights granted to it hereunder without obtaining the prior consent of Syndax.

### 2.3 Provision of Information, Materials and Assistance.

2.3.1 Initial Delivery of Information and Materials. In furtherance of the rights and licenses granted by Syndax to KHK under this Agreement, as soon as reasonably practicable, Syndax shall furnish to KHK a data package in electronic format that shall include the copies or embodiments of the Syndax Know-How (including any Development Data and Regulatory Materials included in such term) Controlled by Syndax as of the Effective Date (hereinafter the "Initial Delivery of Information and Materials").

2.3.2 Ongoing Delivery of Information and Materials. During the Term, at no additional cost to KHK, Syndax shall promptly disclose and provide KHK with copies, reports and summaries of any additional Syndax Know-How (including any Development Data and Regulatory Materials included in such term) that comes to Syndax's attention (or that are reasonably requested by KHK) and that have not previously been provided to KHK by Syndax. Syndax shall (a) \*\*\* Syndax's licensees, research and clinical partners or other Third Parties with which Syndax conducts Development or any other activities with respect to the Product to \*\*\* and (b) \*\*\*. During the Term, at no additional cost to Syndax, KHK shall promptly disclose and provide Syndax with copies of Development Data and Regulatory Materials that comes to KHK's attention (or that are reasonably requested by Syndax) and that have not previously been provided to Syndax by KHK provided, however, that KHK shall provide a brief summary description in English of each set of documents, but KHK shall not be required to prepare English translations of any documents. KHK shall (x) \*\*\* KHK's Sublicensees, research and clinical partners or other Third Parties with which KHK conducts Development or any other activities with respect to the Product to \*\*\* and (y) \*\*\*.

2.3.3 Rights of Reference. At no additional cost to KHK, KHK, its Affiliates and its designees shall have the right to reference Regulatory Materials for applicable Products outside the Territory, to the extent such Regulatory Materials are Controlled by Syndax or its Affiliates or licensees (including any future licensees), in connection with any Regulatory Approvals that KHK or its Affiliates may seek for use of Product in the Field in the Territory. Syndax shall (a) \*\*\* Syndax's licensees, research and clinical partners or other Third Parties with which Syndax conducts Development or any other activities with respect to the Product to \*\*\* and (b) \*\*\*. At no additional cost to Syndax, Syndax, its Affiliates and its designees shall have the right to reference Regulatory Materials for Products, to the extent such Regulatory Materials are Controlled by KHK or its Affiliates or Sublicensees, in connection with any Regulatory Approvals that Syndax or its Affiliates may seek for use of Product outside of the Territory. KHK shall (x) \*\*\* KHK's Sublicensees, research and clinical partners or other Third Parties with which KHK conducts Development or any other activities with respect to the Product to \*\*\* and (y) \*\*\*.

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#### 2.3.4 Use of Data.

(i) KHK shall have the right, without any additional payment, to access and use in support of Development, Regulatory Approval and/or Commercialization of Product by KHK, its Affiliates or Sublicensees in the Territory in the Field, any Development Data arising from the Development of Product by Syndax or its Affiliates, or their contractors, licensees or other Development partners, including institutions or investigators who conduct investigator-initiated clinical studies (a “**Syndax Development Partner**”) (including such Development Data arising from the clinical study that is the subject of the license agreement dated March 14, 2014 between Syndax and the Eastern Cooperative Oncology Group (the “**ECOG License Agreement**”) or clinical studies conducted for the Product outside the Territory by medical institutions, whether sponsored by Syndax or its Affiliates or licensees or initiated by a medical institution), provided that such access and use is consistent with the other terms of this Agreement. Syndax shall, at its own cost, provide KHK or its Affiliates or Sublicensees with such Development Data by way of electronic formats of (i) SEND and CDISC, and (ii) additionally, other formats, if any, in which Syndax files with FDA. Notwithstanding the foregoing, with respect to Development Data solely relating to \*\*\* (“**\*\*\* Development Data**”) that is generated by or on behalf of a Syndax Development Partner, KHK acknowledges that obtaining access to and/or the right to use any such \*\*\* Development Data may require providing payments or other consideration to licensee, and KHK (and not Syndax) shall be responsible for any such payments or other consideration in the Territory. To the extent that a Syndax Development Partner does not permit disclosure of its \*\*\* Development Data to KHK, Syndax shall not permit such Syndax Development Partner to access or use any \*\*\* Development Data generated by or on behalf of KHK except with KHK’s prior written consent. The foregoing shall be KHK’s sole remedy for any failure by Syndax to comply with the its obligations in this Section 2.3.4(i) with respect to Development Data from Syndax Development Partners.

(ii) Syndax shall have the right, without any additional payment, to access and use in support of Development, Regulatory Approval and/or Commercialization of Product by Syndax, its Affiliates or licensees outside the Territory in the Field, any Development Data arising from the Development of Product by KHK or its Affiliates, or their contractors, licensees or other Development partners, including institutions or investigators who conduct investigator-initiated clinical studies (a “**KHK Development Partner**”), provided that such use is consistent with the other terms of this Agreement. Notwithstanding the foregoing, with respect to \*\*\* Development Data that is generated by or on behalf of a KHK Development Partner, Syndax acknowledges that obtaining access to and/or the right to use any such \*\*\* Development Data may require providing payments or other consideration to licensee, and Syndax (and not KHK) shall be responsible for any such payments or other consideration outside the Territory. To the extent that a KHK Development Partner does not

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permit disclosure of its \*\*\* Development Data to Syndax, KHK shall not permit such KHK Development Partner to access or use any \*\*\* Development Data generated by or on behalf of Syndax except with Syndax's prior written consent. The foregoing shall be Syndax's sole remedy for any failure by KHK to comply with the its obligations in this Section 2.3.4(ii) with respect to Development Data from KHK Development Partners.

(iii) This Section 2.3.4 shall not restrict or otherwise affect either Party's access to data on adverse drug reactions, adverse events and other relevant drug safety matters with respect to Products during the Term, the exchanged of which will be governed exclusively by the PV Agreement.

2.3.5 Assistance. In addition to the foregoing, Syndax shall provide to KHK at no additional cost to KHK all reasonable assistance as KHK may request in order to assist KHK with obtaining Regulatory Approval for the Product in the Territory; provided, however, that KHK shall be responsible for \*\*\*. Notwithstanding the foregoing, until KHK or its Affiliate or Sublicensees obtain Regulatory Approval for the Initial Product in each country in the Territory, Syndax shall, at its own cost, \*\*\* or cause \*\*\* to \*\*\* the \*\*\* outside of the \*\*\* and \*\*\* in connection with any \*\*\*. If any raw data is missing, destroyed or cannot be traced and any additional studies are required to be conducted by KHK or its Affiliates or Sublicensees as a result thereof, the Parties shall \*\*\*.

#### 2.4 Improvements by KHK.

2.4.1 License to Syndax; Grant Back. In the event KHK or a KHK Affiliate discovers \*\*\* (“**KHK Improvements**”), KHK or its Affiliate (as the case may be) shall own all rights in and to any such KHK Improvements, provided, however, that KHK hereby grants to Syndax, subject to the applicable provisions contained herein, a perpetual, royalty-free, fully paid, sublicenseable license, under such KHK Improvements Controlled by KHK or its Affiliates, to use such KHK Improvements outside of the Territory in connection with the research, Development, Manufacturing, or Commercialization of Products (the “**KHK Improvements License**”). To the extent that a Syndax licensee (including a sublicensee) does not permit a Syndax Licensee Improvement (defined below in Section 2.11) to be licensed to KHK, Syndax shall not permit such Syndax licensee (including any sublicensee) to use any KHK Improvements except with KHK's prior written consent. Such KHK Improvements License shall be exclusive solely with respect to Products, and as a result KHK shall be free to use and exploit the KHK Improvements in connection with Products in the Territory or products other than Products anywhere in the world, without any obligations to Syndax. For avoidance of doubt, the KHK Improvements License shall automatically terminate if this Agreement is terminated by KHK in accordance with Section 13.3. The foregoing shall be KHK's sole remedy for any failure by Syndax to comply with the obligation in the first sentence of Section 2.11.

2.4.2 Responsibility for Prosecution of Patents. KHK shall have the sole discretion, at its own cost, for the Prosecution of any Patents for the KHK Improvements in or

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outside the Territory, including any decision whether to file a patent application for such KHK Improvements. In the event that KHK fails to further Prosecute any Patent of a KHK Improvement owned by KHK outside of the Territory, or to conduct any interference, reexamination, re-issue or opposition with respect thereto, KHK shall promptly notify Syndax (which in no event will be less than \*\*\* prior to the date on which such Patent will become abandoned, such payment is due or such proceeding is scheduled to occur). Thereafter, Syndax shall, at its sole discretion and cost, have the right to Prosecute such Patent in such countries as it deems appropriate, and conduct any interference, re-examination, re-issue or opposition with respect thereto and KHK shall assign, at no additional cost to Syndax, all right, title and interest in and to such Patents owned by KHK outside the Territory and shall cooperate, at no additional cost to Syndax, as reasonably requested by Syndax in connection with such actions by Syndax.

2.5 No Rights by Implication. KHK's rights with regard to the Syndax Patents and Syndax Know-How shall be limited to those rights specified in Sections 2.1–2.5, and, as between the Parties, Syndax retains all other rights related thereto. For avoidance of doubt, no rights are granted to KHK under this Agreement to Develop or Commercialize the Product outside the Territory.

2.6 Territory and Ex-Territory Restrictions. KHK hereby covenants and agrees that it shall not (and shall cause its Affiliates, Sublicensees and subcontractors not to), either directly or indirectly, market, distribute or sell the Compound or Product outside the Territory. Without limiting the generality of the foregoing, with respect to such countries outside the Territory, KHK shall not (and shall cause its Affiliates, Sublicensees and subcontractors not to) (i) unless otherwise agreed by the Parties, engage in any advertising activities relating to the Product directed solely to customers located in such countries, or (ii) solicit orders from any prospective purchaser located in such countries.

## 2.7 Non-Competition.

2.7.1 During the Term, neither Party shall, directly or indirectly, Commercialize a Competing Product in the Territory.

2.7.2 If Syndax or any of its Affiliates, acquires, is acquired by, merges with, or otherwise enters into a combination with, an entity that owns or has a license or other right to, a Competing Product, then Syndax and/or its Affiliates (or the surviving or acquiring entity, as applicable) shall have the right to commercialize such Competing Product in the Territory provided that Syndax or its Affiliate (or the surviving or acquiring entity, as applicable) notifies KHK of such Competing Product in writing no later than the Required Notice Date (as defined below) and thereafter performs one of the following acts:

(i) divest such Competing Product on a country-by-country basis and notify KHK in writing of such divestiture; provided that an agreement with a Third Party for such divestiture shall be completed within \*\*\* after the Required Notice Date; or

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(ii) establish \*\*\* to ensure that \*\*\* who are \*\*\* (A) are \*\*\* and (B) are not \*\*\*.

For the avoidance of doubt, in no event shall Syndax or its Affiliates (or the surviving or acquiring entity, as applicable) be entitled to use any Confidential Information of KHK for any other purpose (including the research, development or commercialization of such Competing Product) than the purposes permitted under Article 14.

2.7.3 If KHK or any of its Affiliates acquires, is acquired by, merges with, or otherwise enters into a combination with, an entity that owns or has a license or other right to a Competing Product, then KHK and/or its Affiliates (or the surviving or acquiring entity, as applicable) shall have the right to commercialize such Competing Product in the Territory provided that KHK or its Affiliate (or the surviving or acquiring entity, as applicable) notifies Syndax of such Competing Product in writing no later than the Required Notice Date (as defined below) and thereafter performs one of the following acts:

(i) divest such Competing Product on a country-by-country basis and notify Syndax in writing of such divestiture; provided that an agreement with a Third Party for such divestiture shall be completed within \*\*\* after the Required Notice Date; or

(ii) immediately terminate this Agreement (in which case the notice delivered above shall be deemed to be a notice of termination).

For the avoidance of doubt, in no event shall KHK or its Affiliates (or the surviving or acquiring entity, as applicable) be entitled to use any Confidential Information of Syndax for any other purpose (including the research, development or commercialization of such Competing Product) than the purposes permitted under Article 14.

2.7.4 As used herein, "Required Notice Date" means the date that is \*\*\* prior to the \*\*\* of \*\*\*; provided that the Required Notice Date shall in no event be \*\*\* the \*\*\* following the consummation of the transaction described in Section 2.7.2 or 2.7.3, as applicable.

## 2.8 Performance by Affiliates, Subcontractors or Sublicensees.

2.8.1 Affiliates. The Parties recognize that each may perform some or all of its obligations under this Agreement through Affiliates; provided, however, that each Party shall remain responsible for and shall be guarantor of the performance by its Affiliates and shall cause its Affiliates to comply with the provisions of this Agreement in connection with such performance. Each Party hereby expressly waives any requirement that the other Party exhausts any right, power or remedy, or proceeds against an Affiliate, for any obligation or performance hereunder prior to proceeding directly against such Party.

2.8.2 Subcontractors. The Parties recognize that each Party may perform some or all of its obligations under this Agreement through subcontractors; provided, however, that each

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Party shall remain responsible for and shall be guarantor of the performance by its subcontractors and shall cause its subcontractors to comply with the provisions of this Agreement in connection with such performance. Each Party hereby expressly waives any requirement that the other Party exhaust any right, power or remedy, or proceeds against a subcontractor, for any obligation or performance hereunder prior to proceeding directly against such Party.

2.8.3 Sublicensees. To the extent that KHK sublicenses any of the rights or obligations granted to it hereunder in accordance with the terms hereof, as between KHK and Syndax, KHK shall remain responsible for performing its obligations hereunder and ensuring that any such Sublicensees comply with this Agreement.

2.9 Third Party Licenses. If, during the Term, Syndax acquires any Third Party IP under any agreement other than an Existing Third Party License and such agreement includes sublicensable rights in the Territory, Syndax shall promptly notify KHK of such agreement and disclose payments under such agreement that are relevant to, or otherwise allocable to, the Territory. KHK may, in its sole discretion, provide a written confirmation to Syndax that it wishes such Third Party IP to be included in the Syndax Patents and/or Syndax Know-How (as applicable). Effective solely upon such confirmation, such agreement shall be deemed to be a Third Party License, and the Syndax Patents and/or Syndax Know-How (as applicable) shall be deemed to include such Third Party IP. Syndax shall bear all royalties, costs or other compensation payable to any Third Party under any Third Party License to Third Party IP that \*\*\* by \*\*\* of the \*\*\* (as such \*\*\* as of the Effective Date) in the Territory (a "**Necessary Third Party License**"). For Third Party Licenses that are not Necessary Third Party Licenses, KHK shall bear all royalties, costs or other compensation payable to any Third Party under any such Third Party License for the Territory as a result of the grant of such Third Party License to KHK or the exercise or sublicensing of such Third Party License by KHK, its Affiliates, or its sublicensees.

2.10 Additional Syndax Patents. Prior to Syndax's filing of any Patent application for an Additional Syndax Patent, Syndax shall provide KHK a sufficient period and opportunity to review and comment on any documents that will be filed as part of such Patent application. Whenever Syndax files a Patent application or otherwise obtains Control of a Patent after the Effective Date, Syndax shall promptly notify KHK and such Patent shall automatically constitute an Additional Syndax Patent unless KHK notifies Syndax within \*\*\* (or within such reasonable extension of time beyond \*\*\* as KHK may request) after receiving notice of such Patent that KHK wishes to exclude such Patent from Additional Syndax Patents. If KHK elects to exclude such Patent and provides notification of such election within the aforementioned time period, such Patent shall thereafter be deemed not to be an Additional Syndax Patent. Syndax shall provide KHK with an updated list of Additional Syndax Patents on at least an annual basis.

2.11 Syndax Licensee Improvements. Notwithstanding Section 2.9, in the event that Syndax's licensees (including any sublicensees) discover \*\*\* ("**Syndax Licensee**

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Improvements”), Syndax shall ensure that all licensees (and sublicensees) of Syndax shall be required to grant a perpetual, royalty-free, fully paid, freely sublicenseable, non-exclusive license under such Syndax Licensee Improvements Controlled by such licensee (or sublicensee) so that, subject to the applicable provisions contained herein, KHK may have access to and use such Syndax Licensee Improvements in the Territory free of charge under this Agreement. To the extent that a KHK Sublicensee does not permit a KHK Improvement to be licensed to Syndax, KHK shall not permit such KHK Sublicensee to use any Syndax Licensee Improvements except with Syndax’s prior written consent; provided, however, that the foregoing shall not in any way limit any KHK Sublicensee’s rights under any Third Party License.

**ARTICLE 3  
JOINT STEERING COMMITTEE**

3.1 Formation of JSC. Within \*\*\* after the Effective Date, the Parties shall establish and designate the members of a joint committee to consist of an equal number of representatives from each Party (the “JSC”).

3.2 Composition. The JSC shall be composed of \*\*\* members selected by Syndax and \*\*\* members selected by KHK, all of whom shall have appropriate background and authority to consult, discuss and monitor matters assigned to the JSC hereunder. Each Party shall designate one of its members as a co-chair of the JSC. Each Party is free to select and change members of the JSC immediately upon notice to the other Party. Additional participants may be invited by any member to attend meetings where appropriate (e.g., personnel from regulatory affairs or outside consultants). Such additional participants shall not be deemed to have, or have any rights or responsibilities of, a member of such committee or working group.

3.3 JSC Meetings. The JSC shall meet at least \*\*\* during the first \*\*\* and thereafter at least \*\*\*. Members of the JSC may participate in meetings in person, by telephone or by video conference; provided, however, that the Parties Syndax and KHK shall each use reasonable efforts to at least one (1) such meeting during each year to be attended in person by their respective representatives, alternating between the United States and Japan. Additional representatives of either Party may be permitted to attend JSC meetings, subject to prior notice to and the approval of the other Party, not to be unreasonably withheld. The Parties shall cooperate in preparing written summaries of the substance of significant discussions covered at JSC meetings, with the host company preparing the initial draft of the summary.

3.4 Responsibility and Authority.

3.4.1 The JSC shall be the primary forum to:

(i) facilitate the exchange of data, information, materials and results between the Parties, and monitor the Development and Commercialization activities of the Parties.

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(ii) discuss and monitor the Development Plan and Commercialization activities and regulatory strategies of the Parties hereunder;

(iii) review and discuss the overall strategy for obtaining, maintaining and enforcing patent protection and market and data exclusivity for the Product in the Field in the Territory;

(iv) establish working groups pursuant to Section 3.4.5 on an as-needed basis, oversee the activities of all working groups so established, and address disputes or disagreements arising in all such working groups; and

(v) have such other responsibilities as may be assigned to the JSC pursuant to this Agreement or as may be mutually agreed upon by the Parties in writing from time to time.

3.4.2 The JSC shall be an instrument for discussion and consultation, and shall not be a decision making body. Votes will not be taken or recorded. If a disagreement among the parties is not resolved through good faith discussions of the JSC, or if the JSC is no longer functioning, the matter shall be referred for further discussion by, with respect to each Party, a senior representative of such Party responsible for the performance and management of this Agreement (collectively, the “**Senior Officers**”). The Senior Officers shall use reasonable efforts to discuss and resolve any matters referred to them promptly and in good faith. If the Senior Officers are unable to reach agreement with respect to a particular matter after good faith discussions, the matter shall be referred for review and resolution by each Party’s Chief Executive Officer or Chairman or his/her designee of each, who shall use reasonable efforts to negotiate and resolve matters referred to them promptly and in good faith.

3.4.3 KHK shall have the final say and may act in accordance with its discretionary judgment with respect to any decision concerning the Development or Commercialization of a Product in the Territory, subject to the terms of this Agreement. KHK shall consult with Syndax in good faith and shall use Commercially Reasonable Efforts to appropriately respond to any reasonable concerns of Syndax on any matter that relates to the Product. KHK shall use reasonable efforts to avoid any situation that: (i) materially impairs or is reasonably likely to impair any rights or assets of Syndax or any of its Affiliates; (ii) results in or is reasonably likely to result in Syndax being in breach of the Bayer Agreement; (iii) results in or is reasonably likely to result in an increased financial obligation for Syndax or any of its Affiliates or an increased obligation for Syndax or its Affiliates to utilize any resources; or (iv) creates any safety or regulatory issues that could reasonably be expected to have a material effect on the Development of the Product outside the Territory.

3.4.4 The JSC shall have only the powers or functions assigned expressly to it in this Article 3 and elsewhere in this Agreement, and shall not have any power to amend, modify or waive compliance with this Agreement or determine whether a breach of this Agreement has occurred. In furtherance thereof, each Party shall retain the rights, powers and discretion granted

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to it under this Agreement and no such rights, powers or discretion shall be delegated or vested in the JSC unless such delegation or vesting of rights is expressly provided for in this Agreement or the Parties expressly so agree in writing.

3.4.5 In addition to the JSC, the Parties may establish JSC's working groups to focus on discussions and information sharing concerning Development, Regulatory, supply of Product, Commercialization or other areas of concern. To the extent that KHK plans to conduct a Territory Trial that is part of a global Clinical Trial being conducted by Syndax or its Affiliates or a Syndax Development Partner, the Parties shall discuss whether additional processes and information sharing may be necessary and/or advisable to ensure coordination between such Territory Trial and the global Clinical Trial.

#### **ARTICLE 4 DEVELOPMENT**

4.1 Development Responsibilities. KHK shall, during the Term, have sole authority and responsibility for the Development of Products in the Field in the Territory, including the conduct of Clinical Trials of Product in the Territory in support of Regulatory Approval in the Territory (collectively, "**Territory Trials**"). In the event that Syndax or its designee conducts a global Clinical Trial in countries including the United States and Europe for \*\*\*, KHK, in its sole discretion, shall have the right to join such global Clinical Trial.

#### 4.2 Development Plan.

4.2.1 Initial Preparation. Within \*\*\* after the Initial Delivery of Information and Material, KHK shall present to the JSC a development plan which shall outline the applicable general guidelines and governing plans, processes and procedures pursuant to which KHK will seek Regulatory Approval for the Product in \*\*\* (the "**Development Plan**"). The Development Plan shall be expanded by KHK to include Development activities for \*\*\* as soon as reasonably practicable, but in any event prior to the commencement of any Territory Trials in \*\*\*.

4.2.2 Contents. The Development Plan shall contain sufficient operational and technical detail, including timelines to provide clear deliverables and milestones for the management of Development, including a description of any Territory Trials that KHK anticipates will be conducted by or for KHK, its Affiliates, or its Sublicensees in the subsequent twenty-four (24) months.

4.2.3 Amendments. On an annual basis (no later than October of each calendar year), or more often as the Parties deem appropriate by mutual agreement, KHK shall prepare amendments to the then-current Development Plan for consultation in and monitoring by the JSC. Each such amended Development Plan shall specify the items described in Sections 4.2.1 and 4.2.2. Such amended Development Plan shall cover the next calendar year (as well as any later periods as reasonably determined by KHK).

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4.2.4 Performance. KHK shall use Commercially Reasonable Efforts to perform the tasks and obligations in the Development Plan, substantially in accordance with the time schedules set forth therein. The Parties shall communicate in good faith and in a timely manner so that each Party is appropriately informed of the other Party's efforts and activities aimed toward Regulatory Approval in their respective territories.

4.3 Diligent Efforts. KHK shall use Commercially Reasonable Efforts to Develop \*\*\* Product in the Territory and to obtain Regulatory Approval therefor in \*\*\*. Without limiting the generality of foregoing, KHK agrees that, at minimum, it will pursue Development of, and seek Regulatory Approval for, the Initial Product in the Territory with respect to \*\*\* for \*\*\* with the \*\*\* including, \*\*\* (the "**First Indication**"), for which Syndax intends to pursue Regulatory Approval of in \*\*\*. The activities of KHK's Affiliates and Sublicensees shall be attributed to KHK for the purposes of evaluating KHK's fulfillment of the obligations set forth in this Section 4.3.

4.4 Costs. KHK shall bear all costs in connection with the Development of Product in the Territory and seeking Regulatory Approval of the Product in the Territory. Notwithstanding the foregoing, in the case of any Territory Trial that is part of a global Clinical Trial being conducted by Syndax or its designee, KHK shall only bear those costs to be paid to any medical institution or investigator for clinical studies of Product in the Territory and those costs in connection with seeking Regulatory Approval of the Product in the Territory.

## **ARTICLE 5 REGULATORY**

### **5.1 KHK Obligations**

5.1.1 INDs; NDAs. KHK shall be responsible for obtaining Regulatory Approval for the Product in the Territory, including drafting, preparation, filing, and maintenance of INDs in the Territory, NDAs in the Territory, and all other applications in connection with seeking Regulatory Approvals for Product in the Territory. KHK shall timely provide Syndax with, and shall thereafter update, copies of all material correspondence, submissions and exchanges between KHK and any Regulatory Authorities in the Territory with respect to Product. KHK shall provide a brief summary description in English of each set of documents, but KHK shall not be required to prepare English translations of any documents.

5.1.2 Regulatory Materials. The Parties intend that the Development Plan will set forth the agreed regulatory strategy for seeking Regulatory Approval of Products in the Territory. KHK shall draft, prepare, file, and maintain Regulatory Materials in the Territory, as well as seek Regulatory Approval for Product in the Territory, in a manner consistent with such strategy. Syndax shall fully cooperate with and assist KHK in complying with any of KHK's regulatory obligations with respect to Product within the Territory, including those described in Sections 2.3.4 and 4.4. Syndax shall use Commercially Reasonable Efforts to provide any information or documentation requested by KHK to meet a deadline set by the relevant Regulatory Authority or by Applicable Law.

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### 5.1.3 Regulatory Authority Inspection

(i) If a Regulatory Authority in or outside the Territory desires to conduct an inspection or audit of Syndax's facility or a facility under contract with Syndax with regard to the Product, Syndax shall cooperate and, if applicable, cause the contract facility to cooperate with such Regulatory Authority during such inspection or audit. If Syndax, rather than KHK, receives the inspection or audit observations of such Regulatory Authority in the Territory, Syndax shall promptly provide a copy of such observations to KHK. Syndax (and/or its contractor) shall prepare the response to any such observations, but the submission of the response to the applicable Regulatory Authority shall be subject to KHK's review or comments, which Syndax shall consider in good faith. Syndax agrees to conform its activities under this Agreement to any commitments made in such a response, except to the extent it believes in good faith that such commitments violate Applicable Law.

(ii) If a Regulatory Authority in or outside the Territory desires to conduct an inspection or audit of KHK's facility or a facility under contract with KHK with regard to the Product, KHK shall cooperate and, if applicable, cause the contract facility to cooperate with such Regulatory Authority during such inspection or audit. If KHK rather than Syndax, receives the inspection or audit observations of such Regulatory Authority outside the Territory, KHK shall promptly provide a copy of such observations to Syndax. KHK shall prepare the response to any such observations, but the submission of the response to the applicable Regulatory Authority shall be subject to Syndax's review or comments, which KHK shall consider in good faith. KHK agrees to conform its activities under this Agreement to any commitments made in such a response, except to the extent it believes in good faith that such commitments violate Applicable Law.

5.2 Manufacturing-Related Filings. Notwithstanding the provisions of Sections 4.4 and 5.1, Syndax shall be solely responsible, at its sole cost, for preparing those portions of any Regulatory Materials related to the Manufacture of the Product for sale in the Field in the Territory, including any DMFs and CMC (or equivalent) sections of any Regulatory Materials, and will promptly provide to KHK (or permit KHK to reference, as applicable) such Regulatory Materials for use in compiling, supporting and maintaining regulatory filings in the Territory. In the event that Syndax or its designee elects to file a DMF (or equivalent) for the Product in the Territory, Syndax shall, at its own cost, file and maintain, or cause such designee to file and maintain, such DMF (or equivalent) for the Product in the Territory. The foregoing shall only apply to the extent that Syndax is Manufacturing the Compound or the Product under Article 7.

5.3 Pharmacovigilance. Syndax shall be the global safety database holder and shall be responsible for all aspects of pharmacovigilance of the Product. Syndax (or its designee) shall be responsible for the collection, review, assessment, tracking and filing of information related to adverse events associated with the Product in the countries outside the Territory as well as, to the

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extent required under Applicable Law, compiling and communicating to Regulatory Authorities outside the Territory. KHK shall reasonably cooperate with and assist Syndax upon request as required by Syndax in order to comply with Syndax's regulatory obligations with respect to the Product outside of the Territory. KHK shall be responsible for the collection, review, assessment, tracking and filing of information related to adverse events associated with the Product in the Field in the Territory. Not later than the date of the first IND submission in the Territory or such earlier date required by Applicable Law with respect to the Parties' activities hereunder, the Parties shall enter into a separate, written pharmacovigilance agreement (the "**PV Agreement**") containing the specific terms, conditions and obligations of the Parties with respect to the collection, reporting and monitoring of all adverse events, risk management activities and other relevant drug safety matters with respect to Products during the Term. The PV Agreement shall ensure that adverse event and other safety information is exchanged according to a schedule that will permit each Party (and its designees or licensees) to comply with Applicable Law and regulatory requirements in their respective markets.

5.4 Information Sharing. The Parties will comply with all information sharing obligations contained in this Agreement or any related agreement, including the Clinical Supply Agreement, the Commercial Supply Agreement, the Quality Agreements and the PV Agreement.

5.5 Communications with Regulatory Authorities. KHK shall be solely responsible for all communications and other dealings with Regulatory Authorities in the Territory with respect to Product, subject to the information sharing required by Section 5.1.1 and Section 5.4, subject to Syndax's obligations with respect to DMFs pursuant to Section 5.2 and subject to Applicable Law. Syndax shall not communicate with any Regulatory Authority in the Territory regarding any Product unless explicitly requested or permitted in writing to do so by KHK, or unless so ordered by such Regulatory Authority or otherwise required by Applicable Law, in which case Syndax shall immediately provide notice of such order or legal requirement to KHK. Syndax (or its designee) shall be solely responsible for any communications with Regulatory Authorities outside of the Territory with respect to Product. KHK shall not communicate with any Regulatory Authority outside the Territory regarding any Product unless explicitly requested or permitted in writing to do so by Syndax, or unless so ordered by such Regulatory Authority or otherwise required by Applicable Law, in which case KHK shall immediately provide notice of such order or legal requirement to Syndax.

5.6 Ownership. To the extent permitted by Applicable Law, KHK shall be the legal and beneficial owner of all Regulatory Approvals for Product in the Territory. To the extent permitted by Applicable Law, all Regulatory Materials for Products in the Territory shall be filed in the name of KHK or its Affiliate or Sublicensee.

#### 5.7 Recalls.

5.7.1 Procedures. In the event that any Governmental Authority threatens or initiates any action to remove the Product from the market in the Field whether inside the

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Territory or outside the Territory (in whole or in part), the Party receiving notice thereof shall notify the other Party of such communication immediately, but in no event later than \*\*\* after receipt of such notification, and in any case in accordance with Applicable Law. Notwithstanding the foregoing, in all cases KHK shall determine whether to initiate any recall or withdrawal of the Product in the Field in the Territory, and Syndax shall determine whether to initiate any recall or withdrawal of the Product outside the Territory, provided, however, that each Party shall perform any recalls or withdrawals to the extent required or mandatory under Applicable Law. With respect to voluntary recalls or withdrawals other than to the extent required or mandatory under Applicable Law, before KHK initiates a recall or withdrawal, the Parties shall use Commercially Reasonable Efforts to promptly meet telephonically or in person to discuss in good faith the reasons therefor, provided, however, that such discussions shall not delay any action that KHK reasonably believes has to be taken in relation to any recall or withdrawal. In the event of any such recall or withdrawal in the Territory, KHK, as the distributor of the Product, shall determine the necessary actions to be taken, and, shall implement such action, considering in good faith any reasonable input provided by Syndax. Each Party shall maintain complete and accurate records of any recalls or withdrawals in its territory for such periods as may be required by Applicable Law, but in no event for less than \*\*\*.

5.7.2 Costs. Without prejudice to other rights and remedies set forth in this Agreement, or any other agreement executed pursuant to this Agreement, including the Clinical Supply Agreement, the Commercial Supply Agreement, the PV Agreement and the Quality Agreement, all internal and external costs (excluding any costs or damages arising from a Claim by a Third Party to which a Party is entitled to indemnification under Article 12) incurred by the Parties in connection with implementing a recall or withdrawal (a “**Recall**”) with respect to the Product in the Field in the Territory (“**Recall Costs**”) shall be allocated between Syndax and KHK as follows:

(i) in the event, and to the extent, that the Recall arises as a result of: (a) defective Product supplied by Syndax under the Commercial Supply Agreement; (b) negligence or willful misconduct of Syndax or Bayer or their respective Affiliates, directors, officers, employees representative, contractors and agents (each a “**Syndax Party**” and, collectively, the “**Syndax Parties**”); (c) a breach of this Agreement, or any other agreement executed pursuant to this Agreement, including the Clinical Supply Agreement, the Commercial Supply Agreement, the PV Agreement or the Quality Agreements, by any Syndax Party, (d) the failure by any Syndax Party to comply with Applicable Law; or (e) a determination by an applicable Regulatory Authority in the Territory that incidents, activities, non-compliance or other material issues outside of the Territory necessitate such Recall, Syndax shall bear all Recall Costs; provided, however that this Section 5.7.2(i) shall not apply to the extent any such Recall Costs arise out of (x) the negligence or willful misconduct of KHK, its Affiliates or Sublicensees, and their respective directors, officers, employees, representatives, contractors and agents (each a “**KHK Party**” and, collectively, the “**KHK Parties**”), (y) the breach of this Agreement or any other agreement executed pursuant to this Agreement by any KHK Party, or (z) the failure by any KHK Party to comply with Applicable Law;

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(ii) in the event, and to the extent, that the Recall arises as a result of (a) negligence or willful misconduct of any KHK Party in its Development, Commercialization, or Manufacturing activities (including such negligence or willful misconduct of any KHK Party in those activities in connection with the Initial Product), or (b) any breach of this Agreement or any other agreement executed pursuant to this Agreement by any KHK Party, KHK shall bear all Recall Costs; provided, however that this Section 5.7.2(ii) shall not apply to the extent any such Recall Costs arise out of (x) the negligence or willful misconduct of any Syndax Party, or (y) the breach of this Agreement or any other agreement executed pursuant to this Agreement (including the Clinical Supply Agreement, the Commercial Supply Agreement, the PV Agreement or the Quality Agreements), by any Syndax Party (including any Product Manufacturing breach by any Syndax Party or any failure by any Syndax Party to supply a Product in compliance with the representations and warranties herein applicable thereto), or (z) the failure by any Syndax Party to comply with Applicable Law; or

(iii) in all other cases, Recall Costs shall be borne by the Parties in the following ratio: \*\*\*.

## ARTICLE 6 COMMERCIALIZATION

6.1 Commercialization Responsibilities. KHK shall, during the Term, have sole authority and responsibility for the Commercialization of Products in the Field in the Territory. KHK will be the sole Marketing Authorization Holder in the Territory.

6.2 Marketing Plan. After the first Regulatory Approval of the Product in the Territory, KHK shall provide Syndax with its summary of the annual Marketing plan (the "**Marketing Plan**"), which shall include a summary of the Marketing strategy. KHK shall use Commercially Reasonable Efforts to perform the tasks and obligations in the Marketing Plan.

6.3 Medical Activities. KHK shall annually inform Syndax of any outsourced research, publication strategy, or supply of Product to physician initiated clinical trials.

6.4 Diligent Efforts. For each Product that receives Regulatory Approval in a country in the Territory, KHK shall use Commercially Reasonable Efforts to Commercialize such Product in the Field in such country. The activities of KHK's Affiliates and Sublicensees shall be attributed to KHK for the purposes of evaluating KHK's fulfillment of the obligations set forth in this Section 6.4.

6.5 Promotional Materials. KHK shall be solely responsible for the design and supply of Promotional Materials for the Product in the Territory. KHK shall own all right, title and interest in and to any Promotional Materials created by KHK hereunder relating to the Product in the Field in the Territory, but excluding in any event the Syndax name and corporate logo and the Syndax Trademarks.

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6.6 Medical Inquiries for the Product. With regard to any Product sold by or on behalf of KHK (or any of its Affiliates or Sublicensees), KHK shall be responsible for receiving all medical questions or inquiries in each country in the Territory (including, if applicable, setting up a call center in connection therewith), in each case in accordance with Applicable Law and this Agreement. Syndax shall promptly forward any and all medical questions or inquiries which it receives with respect to any Product sold by or on behalf of KHK (or any of its Affiliates or Sublicensees) in the Territory to KHK in accordance with Applicable Law, and KHK shall immediately forward to Syndax any and all medical questions or inquiries that it receives with respect to a Product sold outside of the Territory, in each case in accordance with Applicable Law.

## ARTICLE 7 MANUFACTURE AND SUPPLY

7.1 Supply Responsibilities. Subject to the terms and conditions of this Article 7, the Quality Agreements and the other provisions of this Agreement, Syndax shall supply KHK's total requirements of Initial Product (for \*\*\* and both for use in Clinical Trials in the Territory and for commercial sale in the Territory) in accordance with the Specifications, the Clinical Supply Agreement, the Commercial Supply Agreement and the Quality Agreements, which shall include provisions to address the quality of the Product and related regulatory issues, forecasting, order, delivery, transfer price, product specifications and other customary provisions applicable to the clinical or commercial supply of pharmaceuticals. The Parties shall agree on contact procedures among Syndax, the relevant Syndax contract manufacturers and suppliers and KHK, its Affiliates and Sublicensees, including a process by which KHK can directly communicate with Syndax's contract manufacturers and suppliers. Further, the Parties shall agree on \*\*\* taking into account the \*\*\*. For the avoidance of doubt, subject to Section 15.5, nothing herein shall require Syndax to supply to KHK Initial Product having Specifications that differ materially from the specifications being used by Syndax in other Territories, unless and to the extent the Parties so agree in one or both of the Supply Agreements. Unless otherwise specified in the Supply Agreements, all Product will be supplied as bulk tablets. As between the Parties, such supply by Syndax shall be at Syndax's cost, subject to the payment of the transfer price described in Section 7.5 below. KHK shall conduct PTP packaging and final packaging in the Territory, and Syndax shall reimburse KHK for the cost of PTP packaging and final packaging as a credit against the Transfer Price, up to a maximum of \*\*\* per package (the "**Reimbursement Cap**").

7.2 Supply Agreements. Within \*\*\* after the Effective Date, the Parties shall enter into a manufacturing and supply agreement (the "**Clinical Supply Agreement**"), which shall set forth the terms and conditions pursuant to which Syndax shall supply Initial Product to KHK for use in Clinical Trials in the Territory. At least \*\*\* in advance of the \*\*\*, the Parties shall enter into a commercial manufacturing and supply agreement (the "**Commercial Supply Agreement**") and with the Clinical Supply Agreement, the "**Supply Agreements**"), which shall set forth the terms and conditions pursuant to which Syndax shall supply Initial Product to KHK for commercial sale in the Territory. The Clinical Supply Agreement and the Commercial Supply Agreement shall be negotiated by the Parties in good faith, shall be consistent with the supply terms described in this Article 7.

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7.3 Quality Agreements. At the same time that the Parties enter into the Clinical Supply Agreement, the Parties shall enter into a quality agreement addressing the quality and safety of the Initial Product for use in Clinical Trials in the Territory and related regulatory issues relating thereto (the “**Clinical Quality Agreement**”), on terms to be negotiated by the Parties in good faith. At the same time that the Parties enter into the Commercial Supply Agreement, the Parties shall enter into a quality agreement addressing the quality and safety of the Initial Product for Commercialization in the Territory and related regulatory issues relating thereto (the “**Commercial Quality Agreement**”), on terms to be negotiated by the Parties in good faith. (the Clinical Quality Agreement and the Commercial Quality Agreement hereinafter collectively the “**Quality Agreements**”.)

7.4 Product Complaints. With regard to any Product sold by or on behalf of KHK (or any of its Affiliates or Sublicensees), KHK shall be responsible for receiving all product complaints, in each case in accordance with Applicable Law and this Agreement. KHK shall inform Syndax of such product complaints which KHK believes to have been likely caused by the Manufacture by Syndax or its designee, and Syndax shall be primarily responsible for finding the cause of such product complaints related to the Manufacture of the Products and preparing an explanation thereof (but only to the extent that Syndax or its designee Manufactured the Product in question), which procedure shall be set forth in the Quality Agreement.

7.5 Transfer Price. With respect to Initial Product or API supplied under the Clinical Supply Agreement, Syndax shall supply reasonable quantities of such Initial Product or API to KHK, free of charge to KHK, using inventory existing on the Effective Date or produced in manufacturing runs conducted after the Effective Date by or on behalf of Syndax in the ordinary course of business from time to time, subject to maximum quantities to be specified in the Clinical Supply Agreement based on KHK’s then-current development plans in the Territory (together with commercially reasonable margin of error). With respect to Initial Product supplied under the Commercial Supply Agreement, Syndax shall supply such Initial Product to KHK at the Transfer Price, as described in Section 8.5. Invoicing and payment terms for the Transfer Price shall be set forth in the Commercial Supply Agreement.

7.6 Manufacture by KHK. KHK shall not be permitted to Manufacture Product or Compound except as described in Section 7.6.1 below.

7.6.1 Manufacturing Option. Syndax grants to KHK the option to elect to receive from Syndax a non-exclusive license to Manufacture the Product or the Compound inside or outside the Territory for Commercialization in the Territory, which option may be exercised by KHK solely in the event that Syndax and its designee is unable or unwilling to supply such Product to KHK in a timely manner and in compliance with quality standards (a “**Supply Failure**”). The Supply Agreements shall include objective criteria for determining whether a Supply Failure has occurred. In the event that KHK exercises such option, KHK shall have the

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right to Manufacture, or have Manufactured, such Product or Compound in whole or part in or outside the Territory (excluding \*\*\*, which are the subject of an exclusive manufacturing license to a Third Party), subject to KHK's compliance with reasonable manufacturing and clinical safety standards and applicable regulatory requirements. In the event that KHK elects to have one or more of Syndax's existing contract manufacturers Manufacture the Product or the Compound, Syndax shall reasonably cooperate to allow KHK to enter into a direct contract manufacturing agreement with such contract manufacturers. Any Product Manufactured by KHK pursuant to the foregoing rights shall be exclusively sold in the Territory. Any regulatory activities that are necessary for KHK to perform the foregoing Manufacture of the Product or the Compound shall be performed by the Parties in accordance with Section 4.3. The Commercial Supply Agreement shall include mutually agreed royalty payments to Syndax that, upon transfer of Manufacturing responsibility to KHK, will replace the Transfer Price payments in Section 8.5 so as to provide equitable compensation to Syndax for the licenses granted by Syndax to KHK.

7.6.2 Technology Transfer. In the event that KHK exercises the option set forth in Section 7.6.1, Syndax shall transfer to KHK any Syndax Know-How that is necessary in order to allow and enable KHK, its Affiliates or Sublicensees or their contract manufacturers to practice such rights, and shall use Commercially Reasonable Efforts to facilitate the practice of such Manufacturing rights by KHK, its Affiliate or its Sublicensee, at KHK's cost, including performing such actions and making such filings, necessary and sufficient in order to enable KHK to practice the foregoing Manufacturing rights in accordance with Applicable Law (the "**Technology Transfer**"). If KHK, its Affiliates or Sublicensees or their contract manufacturers begin Manufacturing a Product to be supplied by Syndax to KHK, its Affiliates or Sublicensees or their contract manufacturers for the Territory, Syndax's Manufacturing and supply obligations for such Product shall cease.

7.7 Supply After Expiration/Termination of this Agreement. In the event of the expiration of this Agreement or the termination of this Agreement by KHK in accordance with Section 13.3.1, so long as KHK or an Affiliate or Sublicensee continues sales of a Product then being supplied by Syndax to KHK or an Affiliate or Sublicensee in the Territory, Syndax shall continue to supply the Product to KHK or an Affiliate or Sublicensee in accordance with the provisions of this Agreement and the Commercial Supply Agreement. The Parties shall negotiate the supply price of the Product to be applicable after the expiration of this Agreement or termination of this Agreement, provided however that in no event the supply price shall exceed \*\*\*. Notwithstanding the foregoing, if (a) either Party gives notice to the other Party at least \*\*\* prior to the expected expiration of this Agreement (provided that Syndax has not already transferred to KHK the responsibility for Manufacturing the Product), and (b) Syndax undertakes the Technology Transfer and such Technology Transfer is completed within the \*\*\* notice period, then Syndax's Manufacturing and supply obligations for any Products included in such Technology Transfer shall cease.

7.8 Formulation of Product. Both during the Term and thereafter, Syndax shall not change the formulation or the manufacturing process of any Product to be supplied for the Territory without providing KHK with at least \*\*\* prior notice to allow KHK to \*\*\*. In no

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event shall Syndax implement any such change that would reasonably be expected to require KHK to amend or otherwise modify its Regulatory Materials in a manner that requires approval of a Regulatory Authority, unless it obtains the prior written consent of KHK. The foregoing obligations shall not apply if KHK or its Affiliate or Sublicensee begins Manufacturing such Product for the Territory.

7.9 New Dosage Form. Either Party may request that consideration be made of the manufacture and sale of a tablet other than \*\*\*. In such case, the Parties will investigate the costs of Development, reduction of manufacturing costs, and other practical commercial considerations. If the Parties agree to manufacture and sell such tablet, \*\*\* and \*\*\* shall receive \*\*\* of \*\*\* (in comparison with the \*\*\*) through \*\*\*. Alternatively, if the Parties agree to manufacture and sell such tablet and one Party agrees to \*\*\*, such Party may \*\*\*.

## **ARTICLE 8 PAYMENTS**

8.1 Upfront Payments. In consideration of the licenses and rights granted hereunder, KHK shall pay \$17,500,000 to Syndax within thirty (30) days after the Effective Date. Such fee shall be non-refundable and shall not be creditable against any other amount due to Syndax pursuant to this Agreement.

8.2 Equity. Provided that Syndax and KHK have obtained all necessary authorizations, approvals and signatures of their respective boards of directors and shareholders, on the Effective Date, KHK and Syndax will enter into a "Series B-1 Preferred Stock Purchase Agreement," attached hereto as Exhibit D, (for which the terms, including those of agreements and other arrangements between the shareholders, are identical those of B-1 preferred shares) pursuant to which, subject to the terms and conditions thereof, KHK shall purchase 670,062 Series B-1 Preferred Shares of Syndax at a price equal to \$11.193 (Eleven Point One Nine Three Dollars) per share for an aggregate purchase price of \$7,500,003.97 (Seven Million Five Hundred Thousand and Three Dollars and Ninety-Seven Cents).

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8.3 Development Milestone Payments. KHK shall pay to Syndax each of the following milestone payments upon the first achievement of each such milestone event, within \*\*\* following the occurrence of such event (it being understood that such events may not occur in the order set forth below). Each of the following milestones will be payable only once:

Number	Event	Payment
1	***	\$ ***
2	***	\$ ***
3	***	\$ ***
4	***	\$ ***
5	***	\$ ***
6	***	\$ ***
<b>Total Possible Milestone Payments</b>		<b>\$50 million</b>

\*\*\* KHK shall promptly notify Syndax in writing of the occurrence of each milestone event under this Section 8.3. Each such payment shall be non-refundable and shall not be creditable against any other amount due to Syndax pursuant to this Agreement. One payment shall be made with respect to the achievement of each of the six (6) milestone events above regardless of the number of the Products, or indications or preparation forms within a Product for which such milestone event is achieved. \*\*\* If milestone 2 above is achieved prior to milestone 1 being achieved, then milestone 1 shall be deemed to have been achieved as of the achievement of milestone 2, and the payments for both milestones 1 and 2 shall be due. For milestones 5 and 6 above, the payment will not be triggered by \*\*\*.

8.4 Commercialization Milestone Payments. KHK shall pay to Syndax each of the milestone payments set forth below within \*\*\* after Net Sales of all Licensed Products in the Territory first exceed the indicated value in a calendar year. KHK shall promptly notify Syndax of the occurrence of the first achievement of each such sales level. Each of the following milestones will be payable only once:

Number	Calendar Year Net Sales of Products in Territory	Payment
1	\$***	\$ ***
2	\$***	\$ ***
3	\$***	\$

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8.5 Transfer Price. For Product supplied to KHK under the Commercial Supply Agreement, KHK shall pay to Syndax a transfer price (the “**Transfer Price**”), calculated as follows:

8.5.1 Japan.

(i) If the initial NHI Price for the first Product that receives Regulatory Approval in Japan is \*\*\*, then the Transfer Price for Product in Japan shall be equal to \*\*\* for the \*\*\*, and \*\*\* for the \*\*\*; provided, however, that immediately following the earlier of (A) the \*\*\* and (B) the \*\*\*, the Transfer Price for Product in Japan shall be \*\*\*.

(ii) If the initial NHI Price for the first Product that receives Regulatory Approval in Japan is \*\*\*, then the Transfer Price for Product in Japan shall be equal to \*\*\*.

(iii) Notwithstanding the foregoing, upon the listing of an NHI Price for the first Generic Product in Japan (“**Generic Entry**”) the Transfer Price for such Product shall be \*\*\*.

(iv) If at any time prior to Generic Entry, the NHI Price in effect \*\*\*, the Parties shall \*\*\* a \*\*\* to \*\*\* and shall amend the Commercial Supply Agreement accordingly.

(v) In \*\*\* of each year, an estimated Transfer Price shall be proposed by KHK’s (and agreed by Syndax) based upon KHK’s estimate of the likely Net Selling Price for the following calendar year. The estimated Transfer Price shall be used for the purchase and sale of Product supplied to KHK during the entire calendar year. As soon as is practicable after the end of each calendar quarter, the actual Transfer Price shall be determined based upon the actual Net Selling Price calculations for such calendar quarter. The Parties shall promptly settle the overpayment or underpayment of the estimated Transfer Price versus the actual Transfer Price on a quarterly basis, it being understood that any overpayment to Syndax will be settled through a credit against future Transfer Price payments. The details of the calculation method and deductions to be made shall be set forth in the Commercial Supply Agreement.

(vi) Notwithstanding the foregoing, \*\*\* in the \*\*\* is \*\*\*, the Parties shall \*\*\* should be \*\*\* the \*\*\* of the above (i) or the \*\*\* of the above (iv) for the \*\*\*.

8.5.2 Korea. The Parties shall separately discuss in good faith and determine within \*\*\* of the Effective Date the Transfer Price applicable to Korea.

8.6 Royalties. If Net Sales for all Products in the Territory exceeds \$\*\*\* in any calendar year, KHK shall pay to Syndax a royalty equal to \*\*\* of the portion of the Net Sales exceeding \$\*\*\* for the remainder of such calendar year. Royalty payment obligations resulting from Product sales during a particular calendar quarter shall be paid within \*\*\* after the end of such calendar quarter. The term of the royalties payable under this Agreement (the “**Royalty Term**”) shall commence on the Effective Date and, unless earlier terminated in accordance with the terms of this Agreement, shall continue on a country-by-country basis, until the later of (i) the date all Valid Claims of the last effective Patent among the Syndax Patents expires or is abandoned, withheld, or is otherwise invalidated in such country, and (ii) fifteen (15) years from the date of the First Commercial Sale of a Product in the Territory. Upon the expiration of the

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Royalty Term, with respect to a country in the Territory, the license granted to KHK hereunder shall be an exclusive, fully paid-up, royalty-free, irrevocable and perpetual license. The applicable exchange rate between the Dollar and any other currency shall be the New York Closing Snapshot rate published in the *Wall Street Journal* (as available at its website) on the last business day of such calendar quarter, or if no such rate is available for the relevant currency, at a rate mutually agreed by the Parties.

8.7 Manner of Payment. Except for the Transfer Price and as otherwise agreed between the Parties, all payments under this Agreement shall be in Dollars in immediately available funds and shall be made by wire transfer to such bank account as may be designated from time to time by either Party.

8.8 Late Payment. All payments by one Party to the other Party under this Agreement shall earn interest from the date due until paid at the Interest Rate.

8.9 Underpayment; Overpayment. If an Inspection reveals an underpayment, then KHK shall promptly make up such underpayment with interest at the Interest Rate from the date payment was owed. If an Inspection (as defined below in Section 9.3) revealed an overpayment, then Syndax shall promptly refund such overpayment with interest at the Interest Rate from the date such overpayment was made.

8.10 Withholding Taxes. Each Party shall pay any and all taxes in their respective countries of residence levied in respect of any net profit achieved by any such Party. If Applicable Law requires that either Party withhold any taxes from the amounts paid to the other Party hereunder, the paying Party shall deduct such taxes from the amounts paid to the other Party hereunder, make timely payment of such taxes to the proper taxing authority for the account of the other Party and send proof of such payment to the other Party within \*\*\* following such payment. Further, the paying Party shall provide the other Party with copies of any tax receipts for any such taxes paid, together with copies of all pertinent communications from or with governmental authorities with respect thereto. The Parties shall reasonably cooperate in completing and filing documents required under the provisions of any Applicable Law in connection with the making of any required Tax payment or withholding payment, or in connection with any claim to an exemption from, reduction of, or a refund of or credit for any such payment to the extent available under Applicable Law. Notwithstanding the deadlines for making payments set forth herein, the Parties recognize that some delay may be inevitable if Syndax requests that steps be taken to obtain exemption from any withholding tax that may be applicable.

8.11 Limitation on Duration. Any claim by one Party to the other Party for any payment obligation arising under this Agreement must be made within \*\*\* of the \*\*\* of such payment obligation. No Party shall be liable to the other Party for any claim for the payment of a payment obligation arising under this Agreement that is \*\*\*.

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**ARTICLE 9**  
**STATEMENTS, RECORDS AND INSPECTION**

9.1 Statements. All payments made to Syndax under Article 8 shall be accompanied by a written statement and supporting documentation setting forth in reasonable detail the calculation thereof, including a calculation of the relevant Net Sales, in reasonable detail. Without limiting the foregoing, no later than \*\*\* after each calendar quarter (commencing with the first calendar quarter in which there are any Net Sales), KHK shall provide to Syndax a written statement listing Net Sales by each country of the Territory in local currency and in US Dollars using the currency conversion described in the definition of “Net Sales” in Article 1, regardless of whether royalties are due under Section 8.6.

9.2 Record Keeping. KHK shall keep and maintain, and shall cause its Affiliates and Sublicensees to keep and maintain, complete and accurate books of account and adequate records of all sales and other dispositions of the Product in sufficient detail to permit Syndax to confirm the accuracy of reported milestones and other payments due hereunder, including general accounting ledgers, invoice/sale registers, original invoices and shipping documents, tax returns, inventory and manufacturing records, license, sublicense and distributor agreements and price lists, and shall retain such books and records for a period of \*\*\* from the last day of the calendar quarter in which such sales or dispositions were made, or longer, if required.

9.3 Inspection. Subject to the terms set forth below, Syndax may from time to time, not exceeding once every calendar year, audit (each such audit, an “**Inspection**”) the books and records of KHK, its Affiliates and/or Sublicensees, as the case may be, to the extent necessary in order to verify the accuracy of any payment made under this Agreement or any Net Sales reported hereunder, or, in the event of KHK’s failure to make payment or other amounts hereunder, to obtain information as to the payment payable for any such period by KHK to Syndax. Any such Inspection shall be conducted only by an internationally-recognized firm of certified public accountants selected by Syndax (the “**Auditor**”), and reasonably acceptable to KHK or such Affiliate or Sublicensee, and shall be on reasonable notice and during normal business hours. The Auditor shall disclose to Syndax and KHK only whether the information as to the payments is correct or incorrect and the specific details concerning any discrepancies, or in the case of KHK’s failure to make payment or other amounts hereunder, such information as would have been included in a report submitted pursuant to Section 9.1. No other information shall be provided to Syndax. Such Inspection shall be at Syndax’ cost, unless an underpayment discrepancy is determined and such discrepancy is \*\*\* or greater, in which case, KHK shall reimburse Syndax for costs incurred by Syndax, including the examination costs charged by the Auditor. If the Auditor concludes that an overpayment was made, such overpayment shall be fully creditable against amounts payable in subsequent payment periods. In any event, KHK shall pay past due amounts identified in the Inspection within \*\*\* after the date KHK receives the report of the Auditor.

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**ARTICLE 10**  
**INTELLECTUAL PROPERTY**

10.1 Ownership of Inventions. Each Party shall own any Inventions made solely by its employees, agents or independent contractors in conducting its activities hereunder (each a “**Sole Invention**”). Each Party shall be responsible, at its cost, for the Prosecution of any Patents claiming its Sole Inventions. The Parties acknowledge that during the Term one or more employees, agents or contractors of one Party jointly with one or more employees, agents or contractors of the other Party may have conceived and/or reduced to practice or may conceive and/or reduce to practice one or more Inventions that are necessary or useful for the Development or Commercialization of any Compound or Product (such Inventions being “**Joint Inventions**”). For purposes of this Agreement, the determination of the identities of the inventors of any Sole Inventions or Joint Inventions shall be made in accordance with the laws of inventorship under United States patent law. The Parties agree that Joint Inventions shall be jointly owned by the Parties. If any Joint Inventions shall arise, the Parties shall negotiate in good faith to determine their respective rights and obligations with respect thereto.

10.2 Prosecution of Patents.

10.2.1 Responsibility for Prosecution of Patents. Syndax shall be responsible, at its sole discretion and cost, for the Prosecution of the Syndax Patents in the Territory (including, for the avoidance of doubt, any Bayer Patents in the Territory) and shall consult and cooperate with KHK in such Prosecution in accordance with this Article 10.2. Upon \*\*\* prior written notice to KHK, Syndax may elect to abandon or discontinue the Prosecution of any Syndax Patent in the Territory and/or not to file, pay the maintenance fees, or conduct any further activities with respect to the Syndax Patents. In the event Syndax declines to file or, having filed, fails to further prosecute or maintain any Syndax Patents in the Territory or to conduct any interferences, re-examinations, re-issues, or oppositions with respect thereto, Syndax shall promptly notify KHK (such notification to be given as early as possible, which is no event will be less than \*\*\* prior to the date on which said Syndax Patents in the Territory will become abandoned, such payment is due or such proceeding is scheduled to occur). Thereafter, KHK shall, at its sole discretion and cost, have the right to Prosecute such Syndax Patents in such countries in the Territory as it deem appropriate, and conduct any interferences, reexaminations, re-issues, or oppositions with respect thereto. Syndax shall assign, and shall cause Bayer or its Affiliates to assign, without additional charge to KHK, all right, title and interest in and to such Syndax Patents to KHK, and shall cooperate, and shall cause Bayer to cooperate, at KHK’s cost, in any manner reasonably requested by KHK in connection with such actions by KHK; *except* that Bayer shall not be required to communicate directly with any inventors of Syndax Patents owned by Bayer who are not employees of Bayer or its Affiliates. For the avoidance of doubt, any Syndax Patent (including, for the avoidance of doubt, any Bayer Patents in the Territory) assigned to KHK as set forth in the preceding sentence in this Section 10.2 shall cease being a Syndax Patent for all purposes under this Agreement.

10.2.2 Cooperation. Syndax shall at all times during the Term keep KHK advised of the status of Syndax Patents and shall, upon the request of KHK, promptly provide KHK with copies of the requested documents relating to the Prosecution of the Syndax Patents in the Territory conducted on or before the Effective Date, and further shall promptly provide KHK

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with copies of all documents relating to the Prosecution of the Syndax Patents in the Territory to be conducted during the Term, including promptly providing copies of any documents that Syndax or Bayer receives from such patent office, including any notice of interference, reissues, re-examinations, oppositions or requests for patent term extension. Syndax shall provide KHK sufficient period and opportunity to review and comment on any documents relating to the Syndax Patents or the Additional Syndax Patents which will be filed in any patent office in the Territory in advance of the filing dates. During the Term, the Parties will use Commercially Reasonable Efforts to provide any information necessary to assist with such Prosecution.

10.2.3 Bayer Patents. For clarity, nothing herein is intended to modify Bayer's rights and obligations with respect to the Prosecution of Bayer Patents, as set forth in the Bayer License Agreement.

### 10.3 Syndax Patent Enforcement and Defense.

10.3.1 Notification. If either Party becomes aware of any circumstance, claim or proceeding that relate to the Syndax Patents that may adversely affect the validity, title or enforceability of the Syndax Patents in the Territory, or any actual, alleged or threatened infringement of the Syndax Patents in the Territory, such Party shall promptly notify the other Party thereof in writing. In addition, if KHK becomes aware of any other circumstance, claim or proceeding relating to the Syndax Patents or any actual, alleged or threatened infringement thereof outside of the Territory, it shall promptly notify Syndax thereof, in writing.

10.3.2 Bayer Intellectual Property. The Parties acknowledge that, with respect to any Bayer Intellectual Property: (a) Bayer, by itself, or through an Affiliate, has the right (but not the obligation) to initiate and conduct, at its sole cost, legal proceedings to enforce the Bayer Intellectual Property in the Territory against any infringement or misappropriation by Third Parties or defend any declaratory judgment action involving the Bayer Patents in the Territory (an "**Bayer IP Enforcement Action**"); and (b) if, within \*\*\* following receipt of a written notice of an infringement or misappropriation of any Bayer Intellectual Property or written notice of a declaratory judgment action alleging invalidity or unenforceability of Bayer Intellectual Property, Bayer fails to initiate a Bayer IP Enforcement Action, then Syndax will have the right (but not the obligation) to initiate and conduct the Bayer IP Enforcement Action in its own name and at its sole cost. Once Syndax has the right to initiate and conduct a Bayer IP Enforcement Action in accordance with the (b) above, at KHK's option, KHK shall be permitted, but not obligated, to initiate and conduct the Bayer IP Enforcement Action in the Territory. After the execution of this Agreement, Syndax shall take all reasonable efforts to \*\*\*. Syndax agrees to be joined as a party plaintiff, at KHK's cost, in any Bayer IP Enforcement Action initiated and conducted by KHK, if requested by KHK, and Syndax agrees to exercise its right under the Bayer License Agreement to have Bayer joined as a party plaintiff, at KHK's cost, in any Bayer IP Enforcement Action initiated and conducted by KHK, if requested by KHK.

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10.3.3 Other Syndax Patents. KHK shall have the right but not the obligation to institute, at its sole cost, an action (each an “**Enforcement Action**”) against a Third Party for infringement of any Syndax Patent in the Territory (other than Bayer Patents in the Territory) on account of such Third Party’s manufacture, use, offer for sale, or sale of a Product in the Field (a “**Product Infringement**”). If KHK institutes any such Enforcement Action against Product Infringement in the Territory, then Syndax may, at its option, elect to participate in such action, in which case Syndax shall bear its costs (including the fees and costs of any separate counsel) arising from such election to participate. In the event KHK fails to institute an Enforcement Action against any Product Infringement (or settle or otherwise secure the abatement of such Product Infringement) by the Action Date, Syndax may, at its option and own cost, institute an Enforcement Action against such Product Infringement.

10.3.4 Cooperation. Each Party shall reasonably cooperate and execute all necessary documents and take appropriate actions, at the cost of the prosecuting Party, to allow the other Party to institute and prosecute any Bayer IP Enforcement Actions or Enforcement Actions as provided in this Section 10.3. If either Party, although willing, is unable to institute or prosecute any Bayer IP Enforcement Action or Enforcement Action solely in its own name in any jurisdiction in the Territory in accordance with this Section 10.3, the other Party shall, if lawful to do so, join such action and shall execute all documents necessary to institute and prosecute such Bayer IP Enforcement Action or Enforcement Action. In connection with any such Bayer IP Enforcement Action or Enforcement Action, the Parties shall cooperate fully and shall provide each other with any information or assistance that either reasonably requests. Each Party shall keep the other informed of developments in any such Bayer IP Enforcement Action or Enforcement Action. Nothing in this Section 10.3.4 shall require Syndax to perform any actions in violation of the Bayer License Agreement.

10.3.5 Settlement. Neither Party shall enter into any settlement or compromise of any Bayer IP Enforcement Action or Enforcement Action that admits or concedes that any aspect of the Syndax Patents or Syndax Know-How is invalid or unenforceable, without the prior written consent of the other Party.

10.4 Defense Actions. If any Party receives notice by counterclaim, declaratory judgment action or otherwise, alleging the invalidity or unenforceability of any Syndax Patent, it shall bring such fact to the attention of the other Party, including all relevant information related to such claim. Where such allegation is made in an opposition, reexamination, interference or other patent office proceeding, the provisions of Section 10.1 shall apply. Where such allegation is made in a counterclaim to a suit or other action brought under Section 10.3, the applicable provisions of Section 10.3 shall apply. Where such allegation is made in a declaratory judgment or other court action, the Party who prosecuted such Syndax Patent shall have the first right to defend such action at its own cost, provided that if a Party pursuant to Section 10.3 elects to bring an infringement counterclaim, the provisions of Section 10.3 shall thereafter apply. If the Party with the first right to defend a Syndax Patent elects not to defend such action, it shall so notify the other Party in writing, and the other Party shall have the right to defend such action, at the other Party’s cost. For any such action involving a Syndax Patent, the non-defending Party

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shall provide to the defending Party all reasonable assistance in such defense, at the defending Party's request and cost; and the defending Party shall keep the other Party regularly informed of the status and progress of such efforts, and shall reasonably consider the other Party's comments on any such efforts.

10.5 Infringement of Third Party Rights. Each Party shall promptly notify the other Party in writing of any allegation, claim or suit that the manufacture, use or sale of any Product infringes or misappropriates a Third Party's Patent or other Intellectual Property. Subject to Article 12, each Party shall have the sole right to control any defense of any such claim involving alleged infringement of such Third Party rights by such Party, at its own cost and by counsel of its own choice. In the event that settlement of such an allegation, claim or suit by Syndax (whether as a result of a suit against Syndax or as a result of Syndax's indemnification of KHK under Section 12.1(v)) results in Syndax receiving a license to Third Party IP, Section 2.9 shall apply.

10.6 Settlement. Neither Party shall settle any Bayer IP Enforcement Action, Enforcement Action, or any action under Section 10.4 or 10.5 or consent to the entry of any judgment or settlement or otherwise compromise any such action or suit in any way that admits or concedes that any of the Syndax Patents is invalid or unenforceable or that may otherwise adversely affect the other Party's rights or interests without the other Party's prior written consent, which shall not be unreasonably withheld or delayed.

10.7 Awards. Any award paid to either Party by a Third Party found to have infringed or misappropriated Bayer Intellectual Property in the Territory as a result of a Bayer IP Enforcement Action (whether by way of settlement or otherwise) shall be applied first to reimburse the Party that initiated and conducted the Bayer IP Enforcement Action (or Bayer, if Bayer initiated and conducted such action) for all costs and, if after such reimbursement, any funds shall remain from such an award, said funds shall be allocated as set forth in the Bayer License Agreement, except that KHK shall be entitled to (a) \*\*\* of any and all \*\*\* in connection with a Bayer IP Enforcement Action in the Territory and (b) \*\*\* of any and all \*\*\* in connection with a Bayer IP Enforcement Action in the Territory, which \*\*\* shall be \*\*\* in the \*\*\*. Any award paid by a Third Party to either Party as a result of any Enforcement Action or Defense Action contemplated by Section 10.3 or Section 10.5, as applicable, whether by way of settlement as contemplated by Section 10.5 or otherwise, shall be allocated first pro rata to the reimbursement of any costs incurred by the Parties in such Enforcement Action or Defense Action, and any remaining amounts (the "Net Recovery") shall be allocated to the enforcing Party. Any Net Recovery received by KHK shall be \*\*\* in the \*\*\*.

#### 10.8 Trademarks.

10.8.1 General. Within \*\*\* of the Effective Date, Syndax shall provide KHK a complete list of the Syndax Trademarks, including the application or registration number, class, product/services and status of each Syndax Trademark. Syndax shall promptly update such list

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upon the registration of any additional Syndax Trademark. Syndax shall, apply for the registration of \*\*\* in \*\*\*, as candidates for the latin name and local transliterations of the global product name for the Product no later than the \*\*\*. Syndax shall discuss in good faith with KHK prior to the applications for the registration of trademarks for such local transliterations in each country in the Territory. The Parties shall discuss the trademarks to be used for the Product in the Territory following Syndax's final decision of the name of the Product to be used worldwide. KHK shall, at its discretion on a country-by-country basis, have the right to either use the Syndax Trademarks or trademarks selected and owned by KHK (the "**KHK Trademarks**") with respect to the Development, Commercialization (including packaging of the Product) or Manufacture (if KHK exercises its option to Manufacture Products in accordance with Section 7.6.1) of the Product in the Territory.

10.8.2 Syndax Trademarks. In the event KHK elects to use the Syndax Trademarks for the Product in one or more countries in the Territory pursuant to Section 10.8.1, the following shall apply:

(i) All rights arising from the use of the Syndax Trademarks in the Territory during the Term shall inure to Syndax's benefit.

(ii) All Products with which the Syndax Trademarks are used shall conform to all requirements of the applicable Regulatory Authority in the Territory.

(iii) Syndax shall use Commercially Reasonable Efforts to have the Syndax Trademarks registered in the applicable country(-ies) of the Territory and shall keep KHK regularly informed of the completion of such registration process and provide KHK with an updated list of registration numbers for such Syndax Trademarks. Syndax shall use Commercially Reasonable Efforts to maintain the registrations of the Syndax Trademarks in the applicable country(-ies) of the Territory. All such efforts by Syndax shall be at \*\*\* cost.

10.8.3 Infringement of Syndax Trademarks. KHK shall, as soon as practicable after receiving notice of any potential infringement of a Syndax Trademark in the Territory, inform Syndax of any such potential infringement. Syndax shall have the first right and discretion to bring infringement or unfair competition proceedings involving the Syndax Trademark in the Territory and Syndax shall bear all costs in connection with any such proceedings. KHK shall cooperate with Syndax in any such proceedings, including by giving testimony and producing documents and materials supporting the Syndax Trademark, and shall endeavour to cause the employees of KHK, as appropriate, to cooperate with Syndax, all at Syndax's cost. Any recoveries obtained as a result of any infringement litigation undertaken by Syndax alone or in settlement of such infringement shall be \*\*\*. KHK may elect to participate with Syndax in any infringement or unfair competition action undertaken by Syndax hereunder in the Territory, at KHK's cost, and any recovery obtained shall be \*\*\*. Should Syndax fail to institute infringement proceedings in the a country in the Territory where KHK has elected to use the Syndax Trademark, KHK shall have the right but shall not be obligated, to bring suit for such infringement under its name and at its own cost. Syndax

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shall cooperate with KHK in any such proceedings, including giving testimony and producing document and material supporting the Syndax Trademark and shall endeavour to cause the employees of Syndax, as appropriate, to cooperate with KHK, all at KHK's cost. Any recoveries obtained in suit for trademark infringement litigation or in settlement of such infringement undertaken without Syndax's involvement shall be \*\*\*.

10.8.4 KHK Trademarks. To the extent KHK elects to use a KHK Trademark in addition or as an alternative to the Syndax Trademarks in connection with the Commercialization of the Products in the Territory, KHK shall be responsible for the selection, adoption, registration, maintenance and defense of such KHK Trademarks, as well as all costs and costs associated therewith. KHK shall own all KHK Trademarks and all rights arising from the use of the KHK Trademarks in the Territory shall inure to KHK's benefit.

## **ARTICLE 11 REPRESENTATIONS AND WARRANTIES; DISCLAIMER**

11.1 Mutual Representation and Warranties. Each Party represents and warrants to the other that (a) it has all requisite corporate power and authority to enter into this Agreement and to perform its obligations under this Agreement, (b) the execution, delivery and performance of this Agreement have been duly authorized and shall not result in any violation of, be in conflict with or constitute a default under any contract, obligation or commitment to which it is a Party or by which it is bound or under any Applicable Law, and (c) this Agreement is the legally valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, subject to the effects of bankruptcy, insolvency or other laws of general application affecting the enforcement of creditor rights and judicial principles affecting the availability of specific performance and general principles of equity, whether enforceability is considered a proceeding at law or equity.

11.2 KHK Representations and Warranties. KHK warrants, represents and covenants that all of its activities related to the Products pursuant to this Agreement shall comply with all Applicable Law in the Territory.

11.3 Syndax Representation and Warranties. Except as set forth in a written disclosure schedule delivered by Syndax to KHK concurrently with the execution and delivery of this Agreement, if any, Syndax hereby represents and warrants to KHK that, as of the Effective Date:

11.3.1 Syndax is the owner or licensee of and Controls the Syndax Patents and the Syndax Know-How.

11.3.2 Syndax has the authority to grant the licenses and rights as set forth in this Agreement.

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11.3.3 The Syndax Patents owned by Syndax are, and to the Knowledge of Syndax, the Syndax Patents licensed to Syndax are, free and clear of all liens, security interests or other encumbrances.

11.3.4 To the Knowledge of Syndax or any of its Affiliates, no Third Party is infringing any Syndax Patents in the Territory or has misappropriated any Syndax Know-How in the Territory.

11.3.5 Exhibit A contains a complete and correct list of the Syndax Patents as of the Effective Date.

11.3.6 There are no pending reissue, reexamination, interference, opposition or similar proceedings, in each case with respect to the Syndax Patents in the Territory that are owned by Syndax, and to the Knowledge of Syndax, there are no pending reissue, reexamination, interference, opposition or similar proceedings, in each case with respect to the Syndax Patents in the Territory that are licensed to Syndax. Syndax has not received written notice as of the Effective Date of any threatened claims or litigation or any reissue, reexamination, interference, opposition or similar proceedings seeking to invalidate or otherwise challenge the Syndax Patents in the Territory.

11.3.7 To the Knowledge of Syndax, the Commercialization, Development, Manufacture, use, sale, offer for sale, or importation by Syndax or KHK (or their respective Affiliates or permitted sublicensee), as applicable, of the Product in the Territory for use in the Field does not infringe any issued Patent of any Third Party in the Territory.

11.3.8 All Product Manufactured and supplied hereunder by, or under authority of, Syndax shall be Manufactured and supplied such that the Product furnished by Syndax to KHK under this Agreement:

(i) will be manufactured, handled, stored and shipped by Syndax in compliance with all Applicable Law, including GMPs; and

(ii) will, at the time delivered by Syndax, not contain any material that would cause the Product to be adulterated or misbranded within the meaning of Applicable Law; and

11.3.9 Syndax has complied with all Applicable Law in all material respects, including any disclosure requirements, in connection with the filing, prosecution and maintenance of the Syndax Patents owned by Syndax in the Territory.

11.3.10 Syndax has previously delivered or made available to KHK a true copy of the Bayer License Agreement, redacted only to obscure financial and other terms that have not previously been publicly disclosed, and the Bayer License Agreement has not been modified, supplemented or amended relative to the version delivered or made available to KHK. Syndax has performed all necessary obligations under the Bayer Agreement in order to enter into this Agreement.

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11.3.11 The Bayer License Agreement is in full force and effect. Syndax is not in breach of the Bayer License Agreement, and, to the Knowledge of Syndax, Bayer is not in breach of the Bayer License Agreement.

11.3.12 Other than the Bayer License Agreement, there are no Existing Third Party Licenses.

11.3.13 Syndax has disclosed or made available to KHK all material scientific and technical information which is known to, and in the possession of, Syndax that Syndax reasonably believes relates to the safety and efficacy of the Product for use in the Field in the Territory.

11.3.14 Syndax has disclosed or otherwise made available to KHK all material written correspondence between Syndax and any Governmental Authorities regarding the Product for use in the Field in the Territory.

11.3.15 Neither Syndax nor any of its Affiliates has any Knowledge of any safety, efficacy, or regulatory issues that would reasonably be expected to preclude Syndax or KHK from carrying out Development, Manufacturing or Commercialization of the Product in the Field in the Territory in compliance with the Applicable Law and as otherwise expressly contemplated to be done hereunder.

11.3.16 To the Knowledge of Syndax, Syndax and its Affiliates have conducted all Development and Manufacturing of Compounds and Products in accordance and compliance with all Applicable Law, including, to the extent applicable, GLPs, GCPs and GMPs.

11.3.17 In the course of the Development of the Product, Syndax has not used any employee that is debarred by the FDA under the Generic Drug Enforcement Act of 1992 (or by any analogous agency or under any analogous Applicable Law in the Territory).

11.4 Knowledge Standard. As used in this Article 11, "**Knowledge**" and its derivatives, means that the relevant Party has actual knowledge of such fact or matter.

11.5 DISCLAIMER. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS NOR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE LICENSES GRANTED HEREUNDER, THE COMPOUND, ANY PRODUCTS THAT MAY BE DEVELOPED OR COMMERCIALIZED HEREUNDER, SYNDAX PATENTS, SYNDAX KNOW-HOW, WITH

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RESPECT TO ANY PRODUCTS OR SERVICES PROVIDED BY SYNDAX OR WITH RESPECT TO THE ABILITY OF KHK TO CAUSE THE DEVELOPMENT OR COMMERCIALIZATION ACTIVITIES HEREUNDER TO BE EFFECTIVE OR PROFITABLE. IN ADDITION, NOTHING IN THIS AGREEMENT IS TO BE CONSTRUED AS A REPRESENTATION OR WARRANTY THAT ANY PRODUCT SHALL BE OR IS CAPABLE OF BEING SUCCESSFULLY DEVELOPED OR COMMERCIALIZED OR GRANTED REGULATORY APPROVAL BY ANY REGULATORY AUTHORITY.

## ARTICLE 12 INDEMNITY AND LIMITED LIABILITY

12.1 Syndax Indemnity. Syndax shall indemnify, hold harmless and defend the KHK Parties from and against any and all losses, damages, liabilities, judgments, fines, and amounts paid in settlement, in each case paid or payable to a Third Party claimant, as well as any other out-of-pocket costs and costs of defense (including reasonable attorneys' fees and costs) (the "**Losses**"), on an as-incurred basis, resulting directly or indirectly from any claim, demand, suit, action or proceeding brought or initiated by a Third Party (the "**Claim**") against them, to the extent that such Claim arises out of (i) a defective Product supplied by Syndax under the Commercial Supply Agreement; (ii) negligence or a willful misconduct of any Syndax Party; (iii) a breach of this Agreement, or any other agreement executed pursuant to this Agreement (including the Clinical Supply Agreement, the Commercial Supply Agreement, the PV Agreement or the Quality Agreements), by any Syndax Party, (including any Product Manufacturing breach by any Syndax Party or any failure by any Syndax Party to supply Product that complies with the representations and warranties herein applicable thereto); (iv) the failure by any Syndax Party to comply with Applicable Law; or (v) any allegation that the Development, Commercialization or Manufacture of Product in the Territory infringes any Third Party IP where such Third Party IP would necessarily be infringed by the Development, Commercialization or Manufacture of the Initial Product (as such Initial Product exists as of the Effective Date) in the Territory; provided, however, that the indemnities contained in this Section 12.1 shall not apply to the extent any such Loss or Claim arises out of (i) the negligence or willful misconduct of any KHK Party, (ii) the breach or alleged breach of this Agreement by any KHK Party, or (iii) failure by any KHK Party to comply with Applicable Law. In the case of a Claim falling within the scope of Section 12.1(v), Syndax reserves the right to resolve such Claim by obtaining a license to the applicable Third Party IP that is sublicenseable to KHK hereunder, subject to any consents of KHK required by Section 12.3. Syndax shall have no further obligations under Section 12.1(v) if Syndax obtains such a license at no cost to KHK, and KHK refuses to include such license as a Third Party License pursuant to Section 2.9.

12.2 KHK Indemnity. KHK shall indemnify, hold harmless and defend the Syndax Parties from and against any and all Losses, on an as-incurred basis, resulting directly or indirectly from any Claim against them to the extent that such Claim arises out of (i) the negligence or willful misconduct of any KHK Party in its Development, Commercialization or Manufacturing activities (including such negligence or willful misconduct of any KHK Party in those activities in connection with the Initial Product); or (ii) any breach of this Agreement or

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any other agreement executed pursuant to this Agreement by any KHK Party, (iii) the failure by any KHK Party to comply with Applicable Law; provided, however, that the indemnities contained in this Section 12.2 shall not apply to the extent any such Loss or Claim arises out of (i) the negligence or willful misconduct of any Syndax Party; or (ii) the breach of this Agreement or any other agreement executed pursuant to this Agreement (including the Clinical Supply Agreement, the Commercial Supply Agreement, the PV Agreement or the Quality Agreements) by any Syndax Party or any failure by any Syndax Party to supply Product that complies with the representations and warranties herein applicable thereto; or (iii) the failure by any Syndax Party to comply with Applicable Law.

**12.3 Indemnification Procedures.** The indemnified Party shall notify the indemnifying Party in writing promptly upon becoming aware of any Claim to which such indemnification may apply. The indemnifying Party shall be relieved of its obligation of indemnification to the extent, and only to the extent, the indemnifying Party is prejudiced by any failure of the indemnified Party to provide the indemnifying Party with the foregoing notice of any such Claim within a reasonable period of time. The indemnifying Party shall have the right to assume and control the defense of the Claim at its own cost. If the right to assume and have sole control of the defense is exercised by the indemnifying Party, the indemnified Party shall have the right to participate in, but not control, such defense at its own cost and the indemnifying Party's indemnity obligations shall be deemed not to include attorneys' fees and litigation costs incurred by the indemnified Party after the assumption of the defense by the indemnified Party. If the indemnifying Party does not assume the defense of the Claim, the indemnified Party may defend the Claim at the indemnifying Party's cost, but shall have no obligation to do so. The indemnified Party shall not settle or compromise the Claim without the prior written consent of the indemnifying Party, and the indemnifying Party shall not settle or compromise the Claim in any manner which would have an adverse effect on the indemnified Party without the consent of the indemnified Party, which consent, in each case, shall not be unreasonably withheld or delayed. The indemnified Party shall reasonably cooperate with the indemnifying Party and shall make available to the indemnifying Party all pertinent information under the control of the indemnified Party.

**12.4 Limitation of Liability.** NOTWITHSTANDING ANYTHING IN THIS AGREEMENT OR OTHERWISE, EXCEPT FOR EITHER PARTY'S INDEMNIFICATION OBLIGATIONS SET FORTH IN THIS ARTICLE 12 OR A PARTY'S BREACH OF ITS OBLIGATIONS UNDER ARTICLE 14, NEITHER PARTY SHALL BE LIABLE TO THE OTHER OR A THIRD PARTY UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES.

**12.5 Insurance.** Each Party shall maintain, and shall require its Affiliates and licensees hereunder to maintain, a commercial general liability and product liability insurance program on terms customary in the pharmaceutical industry covering all activities and obligations of it, and, as the case may be, its Affiliates, hereunder, or other programs with comparable coverage, up to and beyond the expiration or termination of this Agreement during (i) the period that any

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Product is being commercially distributed or sold by a Party, its Affiliates or licensees, and (ii) a commercially reasonable period thereafter. In lieu of the insurance coverage described above, each Party shall have the right to undertake a program of self-insurance to cover its indemnity obligations hereunder, with financial protection comparable to that arranged by it for its own protection with regard to other products in its product line. Each Party shall provide the other with proof of such insurance program at the other Party's written request.

### ARTICLE 13 TERM AND TERMINATION

13.1 Term. The term of this Agreement (the "**Term**") shall commence on the Effective Date and, unless earlier terminated in accordance with the terms of this Agreement, shall continue on a country-by-country and Product-by-Product basis, until the expiration of the Royalty Term with respect to such Product and such country.

13.2 Termination for Convenience. KHK shall have the right to terminate this Agreement, in its entirety, upon \*\*\* written notice thereof to Syndax.

13.3 Termination for Breach or Insolvency.

13.3.1 Either Party shall have the right to terminate this Agreement upon written notice to the other Party if such other Party, after receiving written notice from the terminating Party identifying a material breach by such other Party of its obligations under this Agreement, fails to cure such material breach within \*\*\* from the date of such notice. In the event of a dispute as to whether an uncured material breach exists, this Agreement shall remain in full force and effect and no Party shall be released from its obligations hereunder unless and until a final arbitral or court determination is made with respect to the matter under the dispute resolution procedures set forth in Article 16 (or under the arbitration process described Section 13.7.3, to the extent applicable).

13.3.2 Either Party shall have the right to terminate this Agreement in its entirety: (i) upon the filing by the other Party in any court or agency pursuant to any statute or regulation of any state or country a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of Party or of its assets, (ii) if the other Party proposes a written agreement of composition or extension of its debts, (iii) if the other Party is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition is not dismissed within \*\*\* after the filing thereof, (iv) if the other Party proposes or is a Party to any dissolution or liquidation, or (v) if the other Party makes an assignment for the benefit of creditors.

13.4 Termination for Patent Challenge. Syndax may terminate this Agreement in its entirety upon written notice to KHK if KHK or any Affiliate, directly or indirectly, individually or in association with any other person or entity, commences any action or proceeding that challenges the validity, enforceability or scope of any Syndax Patent in the Territory. KHK shall (a) \*\*\* KHK's Sublicensees, \*\*\* and (b) \*\*\*.

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13.5 Effects of Termination. Without limiting any other legal or equitable remedies that a Party may have, if this Agreement is terminated prior to its natural expiration, then the following provisions shall apply:

13.5.1 Termination of Licenses; Withdrawal. The licenses granted to KHK hereunder shall expire or terminate with respect to such Product in such country, and KHK shall cease all use of and activities with respect to the Compound, Product, Syndax Patents and Syndax Know-How, including any Development or Commercialization of the Product. KHK shall discontinue making any representation and withdraw registrations regarding its status as a licensee of Syndax for such Product in such country. All sublicenses granted by KHK to Affiliates or Third Parties under the Syndax Patents and/or Syndax Know-How shall immediately terminate.

13.5.2 Inventory. Except in the case of termination by Syndax pursuant to Section 13.3.1, KHK and its Affiliates will be entitled, during the period ending on the last day of the \*\*\* following the effective date of such termination, to sell any inventory of Product affected by such termination that remains on hand as of the effective date of the termination, so long as KHK pays to Syndax any royalty payments and other amounts payable hereunder, in accordance with the terms and conditions set forth in this Agreement and otherwise complies with the terms set forth in this Agreement (in each case as though this Agreement had not been terminated). Notwithstanding the foregoing, Syndax shall have the right, at any time following termination, to purchase from KHK any or all of such Product and work-in-progress at a price to be mutually agreed in good faith.

13.5.3 Regulatory Materials. Except in the case of termination by KHK pursuant to Section 13.3.1, to the extent permitted by Applicable Law, KHK shall transfer and assign to Syndax all Regulatory Materials and Regulatory Approvals with respect to Product in the Territory that are Controlled by KHK or its Affiliates, if any, at no cost to Syndax.

13.5.4 Licenses to Syndax. Except in the case of termination by KHK pursuant to Section 13.3.1, KHK shall grant to Syndax (i) an exclusive, royalty-free, fully paid license under any Patents or Know-How of KHK Improvements Controlled by KHK or its Affiliates relevant to the Development, Manufacturing, or Commercialization of the Product existing at the time of such termination in the Territory, only to the extent necessary to continue the Development, Manufacture and Commercialization of the then-existing Product in the Territory and (ii) an exclusive license under the KHK Trademarks, to use such KHK Trademarks in connection with the Product for the product name in any country of the Territory where such Trademark is then used; provided that Syndax shall pay to KHK \*\*\* of Net Sales of Products using such then used KHK Trademarks for the product name on a country-by-country basis as consideration for the license granted in this Section 13.5. For the avoidance of doubt, in no event shall Syndax be entitled to use any KHK Trademarks which is or consists of, or contains

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in part, KHK's corporate name (e.g., "Kyowa Hakko Kirin"), corporate logo or design (e.g., "KYOWA KIRIN") or any part thereof (e.g., "Kyowa," "Kirin," "Kyowa Hakko") or similar language or marks or any derivative (including any translations or transliterations thereof).

13.6 Expiration of this Agreement. Upon expiration of this Agreement, KHK shall have an exclusive, fully paid-up, royalty-free, irrevocable and perpetual license to Develop, Commercialize and Manufacture the Product in the Territory. In addition, Syndax covenants in favor of KHK not to enforce against KHK with respect to such Product any Patent Controlled by Syndax which Patent has issued after the expiration or termination of this Agreement from a patent application filed by Syndax during the term of this Agreement. Notwithstanding the foregoing, in the event that KHK uses a Syndax Trademark after the expiration of the Term, KHK shall pay to Syndax \*\*\* of Net Sales of Products using such Syndax Trademark on a country-by-country basis as consideration for the license granted in Section 2.1.2, for so long as KHK continues to use such trademark in connection with sales of Product. Such payments shall be governed by Sections 8.7-8.10 and Article 9, all of which shall survive expiration of this Agreement, as necessary. The Parties shall negotiate in good faith the supply price of the Product to be applicable after the expiration of the Term, provided that the supply price shall not exceed the supply price effective at the time of expiration of the Agreement.

### 13.7 Effects of Material Breach by Syndax.

13.7.1 If KHK has the right to terminate this Agreement pursuant to Section 13.3.1 due to an Significant Syndax Breach (as defined below) that has not been cured by the end of the \*\*\* period specified therein, then KHK may elect, by written notice to Syndax, either (a) to terminate this Agreement pursuant to Section 13.3.1 or, in the alternative, (b) continue this Agreement. If KHK elects to continue this Agreement, then, for any Product ordered on or after the date that Syndax receives notice of such election from KHK, the \*\*\* shall be \*\*\* (excluding the \*\*\* following \*\*\*, which shall remain unchanged), and, for the sake of clarity, all other provisions of this Agreement shall remain in full force and effect without change.

13.7.2 As used herein, "Significant Syndax Breach" means a material breach by Syndax of (a) its obligation to \*\*\*, or (b) \*\*\*

13.7.3 In the event that Syndax disputes whether an uncured Significant Syndax Breach has occurred, Syndax shall have the right to submit the dispute to binding arbitration administered by the American Arbitration Association ("AAA"). The arbitration shall be conducted in English in New York City, New York, USA pursuant to the AAA Commercial Arbitration Rules then in effect, by a single arbitrator with not less than fifteen (15) years of relevant experience in the subject matter of the dispute. The arbitrator shall only decide whether an uncured Significant Syndax Breach has occurred and shall have no authority to award damages of any kind or require any other type of remedy other than \*\*\* described in Section 13.7.1 above. The decision of the arbitrator shall be made in writing and shall be binding on the Parties, subject to Section 13.7.5. Each Party shall bear its own costs and expenses and attorneys' fees and an equal share of the arbitrator's fees and any administrative fees of arbitration. The existence, content, or results of any such arbitration shall be deemed to be the Confidential Information of each of the Parties hereunder.

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13.7.4 In the event that Syndax submits to arbitration a dispute as to the existence of an uncured Significant Syndax Breach, this Agreement shall remain in full force and effect, the \*\*\* set forth above shall not occur and no Party shall be released from its obligations hereunder unless and until a final determination is made with respect to the matter by the arbitrator.

13.7.5 Regardless of whether Syndax elects to arbitrate a dispute as to the existence of an uncured Significant Syndax Breach, both Parties reserve the right to seek resolution of any dispute hereunder (including any dispute as to the existence of a Significant Syndax Breach, whether such Significant Syndax Breach was cured in a timely manner or the proper damages owed to KHK as a result of a Significant Syndax Breach) pursuant to Section 16.7. To the extent any resolution pursuant to Section 16.7 is contrary to the results of an arbitration under Section 13.7.3, the former shall control. To the extent that, following a \*\*\* pursuant to Section 13.7.1 KHK receives an award of damages for a Significant Syndax Breach that does not expressly take into account the past and future economic effect of such \*\*\*, such \*\*\* shall be reasonably adjusted by good faith discussion and agreement of the Parties with the aim to prevent double benefit to either Party.

13.8 Accrued Rights. 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.

13.9 Remedies Not Exclusive. Except as expressly provided herein, the rights and remedies provided in this Agreement shall be cumulative and not exclusive of any rights or remedies provided under Applicable Law.

13.10 Survival. Except as expressly provided herein, the rights and obligations of the Parties under the following provisions shall survive the expiration or termination of this Agreement: Articles 1, 12, 13, 14, and 16; Sections 5.3, 5.4, 5.7, 8.6, 9.2, 9.3, 10.1, 10.5, and 11.5; and any other provisions which by their nature are intended to survive expiration or termination.

#### ARTICLE 14 CONFIDENTIAL INFORMATION

14.1 Confidentiality. Except for the purposes of this Agreement or otherwise agreed in writing, the Parties agree that, until the end of the Term of this Agreement and for \*\*\* thereafter, each Party receiving any Confidential Information (the “**Receiving Party**”) of the other Party (the “**Disclosing Party**”) shall keep such Confidential Information confidential and shall not publish or otherwise disclose or use such Confidential Information for any purpose

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other than as provided for by this Agreement, except for any portion of the Confidential Information that the Receiving Party can establish by competent written proof:

- Disclosing Party;
- (i) was already known to the Receiving Party (other than under an obligation of confidentiality) at the time of disclosure by the Disclosing Party;
  - (ii) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party;
  - (iii) became generally available or known, or otherwise became part of the public domain, after its disclosure to such Receiving Party through no fault of the Receiving Party or its Affiliates;
  - (iv) was disclosed to the Receiving Party on a non-confidential basis by a Third Party who had no confidentiality obligation to the Disclosing Party with respect to such information; or
  - (v) was independently discovered or developed by or on behalf of the Receiving Party without the use of the Confidential Information belonging to the Disclosing Party; or

This Section 14.1 shall not preclude a Party from making any disclosure that is required by Applicable Law or order of any Governmental Authority or tribunal of competent jurisdiction, provided that the Receiving Party gives the Disclosing Party timely, prior notification in order to give the Disclosing Party opportunity to take appropriate action to limit or prevent disclosure of such Confidential Information, takes reasonable steps as necessary to assist the Disclosing Party in protecting the confidentiality of the Confidential Information, and discloses only that portion of the Confidential Information that the Receiving Party is legally required to disclose.

Additionally, Syndax may disclose to Bayer any Confidential Information of KHK that Syndax receives hereunder solely to the extent required to comply with the terms and conditions of the Bayer License Agreement, provided that Bayer is obligated to maintain the confidentiality of KHK's Confidential Information as set forth herein for the benefit of KHK.

14.2 Disclosures. The Receiving Party agrees that it shall limit dissemination of and access to the Disclosing Party's Confidential Information to those employees and agents of the Receiving Party who have a direct need to know such Confidential Information for the purpose of this Agreement and who are under at least as stringent conditions of confidentiality and limitations on use as set forth in this Agreement.

14.3 Return. Upon expiration or termination of this Agreement for any reason, the Receiving Party shall return, or at the option of the Disclosing Party, certify destruction of, all Confidential Information and copies thereof; provided, however, that the Receiving Party may retain one (1) archival copy of the Confidential Information at a secure location solely for purposes of determining its continuing obligations or preserving its continuing rights under this Agreement.

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**14.4 Confidentiality of Agreement Terms.** The Parties acknowledge that the terms of this Agreement shall be treated confidentially as Confidential Information of both Parties. Notwithstanding the foregoing, such terms may be disclosed by a Party (but with financial terms redacted unless required in connection with a merger, acquisition or public or private offering) to investment bankers, investors, and potential licensees, collaborators, investors or acquirers and their respective advisors, in the context of a potential transaction, each of whom prior to disclosure must be bound by similar obligations of confidentiality and non-use at least equivalent in scope to those set forth in this Article 14 (except that the duration of such obligations may be for a shorter period, so long as such duration is commercially reasonable). In addition, a copy of this Agreement may be filed by a Party with the U.S. Securities and Exchange Commission, or similar regulatory agency in a country other than the United States or of any stock exchange or other securities trading institution, as required by Applicable Law. In connection with any such filing, such Party shall endeavor to obtain confidential treatment of economic and trade secret information.

**14.5 Publicity.**

14.5.1 During the Term, subject to the remainder of this Section 14.5, neither Party shall issue a press release or public announcement relating to Licensed Products and/or this Agreement without the prior written approval of the other Party, which approval shall not be unreasonably withheld or delayed.

14.5.2 The Parties hereby agree to coordinate the timing and content of their respective press releases announcing the execution of this Agreement.

14.5.3 KHK shall be permitted to issue press releases in connection with Development and Commercialization of the Product in the Territory and make accurate public statements with respect to KHK's Development or Commercialization activities in the normal course of business; provided, however, that KHK shall provide Syndax with at least \*\*\* prior notice of such press release or public statement if it would reasonably be expected that such press release or public statement will have regulatory implications outside the Territory.

14.5.4 Notwithstanding the above, a Party may issue a press release or public announcement if and to the extent required by Applicable Law, including by the rules or regulations of the U.S. Securities and Exchange Commission or similar regulatory agency in a country other than the U.S. or the rules of any stock exchange (including the Tokyo Stock Exchange) or Nasdaq, in each case after first notifying the other Party of such planned press release or public announcement at least \*\*\* in advance of issuing such press release or making such public announcement (or with as much advanced notice as practicable under the circumstances if it is not practicable to provide notice at least \*\*\* in advance) for the sole purpose of allowing the other Party to review the proposed press release or public announcement for the inclusion of Confidential Information or the use of its name.

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14.5.5 KHK agrees that Syndax will have the right to issue a press release with respect to the occurrence of the following events under this Agreement, subject to KHK's right to prior review of and opportunity to comment on the content of such press release: (i) initiation, completion and results of a clinical trial, (ii) filing and/or approvals of any regulatory applications; and (iii) commercial launch of a Product in a country or region.

14.6 Publications by KHK. KHK may prepare and submit, in its sole discretion, alone or in cooperation with any organization, contractor, investigator or other agent under contract with, or at the direction of, KHK as KHK may select, documents or materials for publication or peer review, or otherwise present any data or results of its, its Affiliates, or its licensee's clinical studies or the Development or Commercialization of the Product ("**Publications**"), provided, however, that KHK shall submit such Publications to Syndax for review and comment at least \*\*\* prior to submission. Syndax shall review any proposed abstracts, manuscripts or summaries of presentations or other materials for publication and shall respond in writing to KHK within \*\*\* after receipt of the proposed disclosure with comments, if any. Subject to the foregoing, KHK shall not submit, as part of any Publications, any confidential data which would reasonably be expected to have a detrimental effect on Syndax's ability to file, obtain or otherwise Prosecute any patent applications or other filings related thereto.

14.7 Publications by Syndax. Syndax may prepare and submit, in its sole discretion, alone or in cooperation with any organization, contractor, investigator or other agent under contract with, or at the direction of, Syndax as Syndax may select, documents or materials for publication or peer review, or otherwise present any data or results of its or its Affiliates' clinical studies or the Development or Commercialization of the Product in the Territory or outside of the Territory; provided, however, that Syndax shall submit such Publications to KHK for review and comment at least \*\*\* prior to submission. KHK shall review any proposed abstracts, manuscripts or summaries of presentations or other materials for publication and shall respond in writing to Syndax within \*\*\* after receipt of the proposed disclosure with comments, if any. With respect to any Publications by investigators, licensees or other Third Parties, such Publications shall be subject to review under this Section 14.7 to the extent that Syndax has the right and ability to do so; provided, however, that Syndax shall use Commercially Reasonable Efforts to obtain such right and ability.

## ARTICLE 15 ADDITIONAL COVENANTS

15.1 Reimbursement Price. Syndax covenants in favor of KHK that Syndax shall use best efforts to procure, or cause its licensees to procure, a reimbursement price (or its closest equivalent) for the Product \*\*\* in \*\*\* and to seek to have such reimbursement price published (to the extent such publication is available under Applicable Law).

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15.2 ECOG Data. Syndax covenants in favor of KHK that, pursuant to the ECOG License Agreement, Syndax has the right to provide KHK with the Development Data arising from the clinical study that is the subject of the ECOG License Agreement.

15.3 Restriction on Amendment of Bayer License Agreement. Syndax shall not execute any amendment to the Bayer License Agreement that would have a material adverse effect on KHK's rights under this Agreement.

15.4 Improvements to \*\*\* Aspects of Products. Taking into consideration the fact that \*\*\* are known to have \*\*\* with respect to \*\*\* or other \*\*\* in the \*\*\*, Syndax shall use Commercially Reasonable Efforts to proactively respond to any \*\*\* and shall use Commercially Reasonable Efforts to \*\*\* to \*\*\*.

## ARTICLE 16 GENERAL PROVISIONS

16.1 Bankruptcy. All rights and licenses granted under or pursuant to this Agreement by Syndax are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, if applicable, licenses of right to "intellectual property" as defined under Section 101 of the U.S. Bankruptcy Code. The Parties agree that KHK, as licensee of such rights under this Agreement, shall retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code.

16.2 Notices. All notices or other communications required or permitted hereunder shall be in writing and delivered personally or by facsimile transmission (and promptly confirmed by personal delivery, registered or certified mail or overnight courier), mailed by registered or certified mail (return receipt requested), postage prepaid, or sent by internationally-recognized overnight courier service, addressed as follows:

If to Syndax:

Address: 400 Totten Pond Road  
Suite 110  
Waltham, MA  
02451 USA

Fax: +1-781-419-1420

Attention: \*\*\*

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If to KHK:

Address: 1-6-1 Ohtemachi  
Chiyoda-ku, Tokyo 100-8185 Japan

Fax: +81-3-3282-0107

Attention: Director, Business Development Department

or to such other address or facsimile number as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. Any such communication shall be deemed to have been given (a) when delivered, if personally delivered or sent by facsimile transmission on a Business Day; (b) on the Business Day after dispatch, if sent by internationally-recognized overnight courier; and (c) on the \*\*\* following the date of mailing, if sent by mail.

16.3 Force Majeure. Neither Party shall be liable for delay or failure in the performance of any of its obligations hereunder if such delay or failure is due to causes beyond its reasonable control after taking reasonable precaution, including acts of God, fires, earthquakes, strikes and labor disputes, acts of war or terrorism, civil unrest or acts or omissions of any Governmental Authority; provided, however, that (a) all payment obligations of KHK hereunder shall not be affected by any events of force majeure, (b) the affected Party promptly notifies the other Party, and (c) the affected Party uses its Commercially Reasonable Efforts to avoid or remove such causes of non-performance and continues performance with the utmost dispatch whenever such causes are removed.

16.4 Assignment. Neither Party shall assign its rights or obligations under this Agreement without the prior written consent of the Party, which shall not be unreasonably withheld or delayed, except that (a) Syndax may assign this Agreement in whole without the consent of KHK to (i) Affiliates (provided, however, that Syndax will remain jointly and severally liable with, and will guarantee the performance of, the relevant Affiliate under this Agreement, and the relevant Affiliate assignee, will assume in writing all of Syndax's obligations under this Agreement) or (ii) a successor to the business of Syndax relating to the Product, whether in a merger, sale of stock, sale of assets or other transaction, (b) KHK may make such an assignment without Syndax' consent to (i) Affiliates (provided, however, that KHK will remain jointly and severally liable with, and will guarantee the performance of, the relevant Affiliate under this Agreement, and the relevant Affiliate assignee, will assume in writing all of KHK's obligations under this Agreement) and (ii) a successor to the business of KHK, whether in a merger, sale of stock, sale of assets or other transaction. Any permitted assignment shall be binding on the successors of the assigning Party. Any assignment or attempted assignment by either Party in violation of the terms of this Section 16.4 shall be null, void and of no legal effect. Upon any assignment of this Agreement by Syndax to a permitted assignee (including any assignment by operation of law), the Syndax Patents and the Syndax Know-How shall exclude any Patents or Know-How owned or Controlled by such assignee or any Affiliate of such assignee prior to such assignment, or thereafter developed or made by such assignee or its Affiliates independently of the research, Development, Manufacturing, or Commercialization of Products.

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16.5 Waivers and Modifications. The failure of any Party to insist on the performance of any obligation, or the failure or delay to exercise any remedy, right, power or privilege, hereunder shall not be deemed to be a waiver of such obligation, remedy, right, power or privilege. Waiver of any breach of any provision hereof shall not be deemed to be a waiver of any other breach of such provision or any other provision. No waiver, modification, release or amendment of any obligation under or provision of this Agreement shall be valid or effective unless in writing and signed by the Parties hereto.

16.6 Choice of Law. This Agreement shall be governed by and shall be construed in accordance with the laws of the State of New York, U.S.A, without regard to any choice of law principles that would provide for the application of the laws of another jurisdiction. The Parties hereby exclude from this Agreement the application of the United Nations Convention on Contracts for the International Sale of Goods.

16.7 Dispute Resolution. Any controversy, dispute or claim arising out of or in connection with this Agreement, including the validity, inducement, or breach thereof, shall be resolved by the Parties in the following manner:

16.7.1 Informal Settlement. Either Party may initiate resolution of such dispute by providing to the other Party a concise statement of the initiating Party's claims, together with relevant facts supporting them, and referring to this Section 16.7.1. For a period of \*\*\* from the date of such statement, or such longer period as the Parties may agree in writing, the Parties shall cause their respective Senior Officers to conduct good-faith negotiations in order to settle the dispute amicably.

16.7.2 Litigation. Any dispute, controversy or claim arising out of or relating to the validity, construction, interpretation, enforceability, breach, performance, application or termination of this Agreement that is not resolved pursuant to Section 16.7.1 may be submitted to a court of competent jurisdiction.

16.7.3 Waiver of Jury Trial. Each Party waives, to the fullest extent permitted by Applicable Law, any right it may have to a trial by jury with respect to litigation arising out of or relating to this Agreement. Each Party (i) certified that no representative, agent or attorney of the other Party has represented, expressly or otherwise, that such other Party would not, in the event of litigation, seek to enforce the foregoing waiver, and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications set forth above in this Section 16.7.3.

16.8 Entire Agreement. This Agreement (including the Exhibits attached hereto) constitutes the entire agreement between the Parties as to the subject matter hereof, and supersedes all prior and contemporaneous negotiations, representations, agreements and understandings regarding the same.

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16.9 Further Actions. Each Party agrees to execute, acknowledge and deliver such further instruments and take all such other actions as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

16.10 Relationship of the Parties. Each party is an independent contractor under this Agreement. Nothing contained herein is intended or is to be construed so as to constitute Syndax and KHK as partners, agents or joint venturers. Neither Party shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other Party or to bind the other Party to any contract, agreement or undertaking with any Third Party. The members of the JSC, and any working group thereof, shall be, and shall remain, employees or other representatives of Syndax or KHK, as the case may be.

16.11 Severability. If any provision hereof is held invalid, illegal or unenforceable in any respect, then, to the fullest extent permitted by Applicable Law, (a) all other provisions hereof shall remain in full force and effect and shall be liberally construed in order to carry out the intent of the Parties as nearly as may be possible, and (b) the Parties agree to use their best efforts to negotiate a provision, in replacement of the provision held invalid, illegal or unenforceable, that is consistent with Applicable Law and accomplishes, as nearly as possible, the original intention of the Parties with respect thereto. To the extent that the Parties are, in any event, unable to agree to the modifications made in accordance with (b), the applicable provision shall be deemed modified to the most limited extent possible in order to most fully carry out the intent of the original provision while complying with Applicable Law. To the fullest extent permitted by Applicable Law, each Party hereby waives any provision of law that would render any provision hereof prohibited or unenforceable in any respect.

16.12 Construction. References to Articles and Sections are references to Articles and Sections of this Agreement. Except where the context otherwise requires, wherever used, the singular shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word “or” is used in the inclusive sense. The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term “including” as used herein shall mean “including, but not limited to,” without limiting the generality of any description preceding such term. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties, and no rule of strict construction shall be applied against either Party.

16.13 Third Party Beneficiaries. No person or entity other than Syndax and KHK shall be deemed to be an intended beneficiary of this Agreement or have any right to enforce any obligation under this Agreement. Notwithstanding the foregoing, the Parties agree that Bayer shall be an intended third party beneficiary hereunder solely with respect to Bayer’s rights under the following provisions: Section 10.3.2, Article 14 (but only as to Confidential Information that is Bayer’s Confidential Information), and Article 16 (solely to the extent required to exercise the rights in the preceding sections).

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16.14 Costs. Except as expressly set forth herein, KHK and Syndax shall each be solely responsible for their respective costs incurred in connection with the matters contemplated by this Agreement.

16.15 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of a counterpart by facsimile or by email in PDF format shall be deemed to be an original for purposes of this Section 16.15.

*[signature page follows]*

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IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

**KYOWA HAKKO KIRIN CO., LTD**

**SYNDAX PHARMACEUTICALS, INC.**

By: /s/ Nobu Hanai  
Name: Nobuo Hanai  
Title: President & Chief Executive Officer

By: /s/ Arlene M. Morris  
Title: Chief Financial Officer

*[Signature Page to License, Development and Commercialization Agreement]*

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Exhibit A

Syndax Patents

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**\*\*\* INDICATES 3 PAGES OF MATERIAL THAT WERE OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**



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**Exhibit B**

**Specifications**

**\*\*\* INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

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**Exhibit C**

**Bayer's Consent Letter**

**\*\*\* INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

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**Exhibit D**

**Series B-1 Preferred Stock Purchase Agreement**

**\*\*\* INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

\*\*\*

\*\*\* INDICATES 31 PAGES OF MATERIAL THAT WERE OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

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December 19, 2014

Kyowa Hakko Kirin Co., Ltd.  
1-6-1 Ohtemachi  
Chiyoda-ku, Tokyo 100-8185  
JAPAN

Re: \*\*\*

To Whom It May Concern:

Reference is made to that certain License, Development and Commercialization Agreement (the "License Agreement") between Syndax Pharmaceuticals, Inc. ("Syndax") and Kyowa Hakko Kirin Co., Ltd. ("KHK"), which the parties have executed on the date of this letter. Any capitalized terms used below that are not defined herein shall have the same meaning as set forth in the License Agreement.

The purpose of this letter is to memorialize an agreement between Syndax and KHK as to how the Parties will address \*\*\* under the Agreement. In particular, the Parties agree as follows:

1. In the event that \*\*\*, \*\*\* shall have the right to have the \*\*\*, as evidenced by documentation of \*\*\*. The Parties will discuss and agree on the \*\*\*, based on review of such documentation.
2. This letter shall be governed by and shall be construed in accordance with the laws of the State of New York, U.S.A, without regard to any choice of law principles that would provide for the application of the laws of another jurisdiction. The Parties hereby exclude from this letter the application of the United Nations Convention on Contracts for the International Sale of Goods.
3. Any controversy, dispute or claim arising out of or in connection with this letter, including the validity, inducement, or breach thereof, shall be resolved by the Parties in accordance with Section 16.7 of the License Agreement. For purposes of applying such Section, such controversy, dispute or claim shall be deemed to have arisen out of or in connection with the License Agreement.

Please indicate your agreement with the foregoing by countersigning where indicated below.

[signature pages follow]

Syndax Pharmaceuticals, Inc., 400 Totten Pond Road, Suite 110, Waltham, MA 02451 Telephone: 781.419.1400 Fax: 781.419.1420

Sincerely,

/s/ Arlene M. Morris

Arlene M. Morris  
President and Chief Executive Officer  
Syndax Pharmaceuticals, Inc.

*[Signature Page to Side Letter to License, Development and Commercialization Agreement]*

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AGREED:

KYOWA HAKKO KIRIN CO., LTD.

By: /s/ Nobuo Hanai

Name: Nobuo Hanai

Title: President & Chief Executive Officer

*[Signature Page to Side Letter to License, Development and Commercialization Agreement]*

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COMBINATION STUDY COLLABORATION AGREEMENT

BETWEEN

GENENTECH, INC.

AND

SYNDAX PHARMACEUTICALS, INC.

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**COMBINATION STUDY COLLABORATION AGREEMENT**

**THIS COMBINATION STUDY COLLABORATION AGREEMENT (“Agreement”)** is made and entered into, effective as of August 24, 2015 (“**Effective Date**”), by and between Genentech, Inc., a Delaware corporation, having a principal place of business at 1 DNA Way, South San Francisco, California 94080 (“**Genentech**”) and Syndax Pharmaceuticals, Inc., a Delaware corporation, having a principal place of business at 400 Totten Pond Road, Suite 110, Waltham, Massachusetts 02451 (“**Syndax**”). Genentech and Syndax are each referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

**RECITALS**

**A.** Genentech is developing the Genentech Compound (defined below) for the treatment of certain tumor types;

**B.** Syndax is developing the Syndax Compound (defined below) for the treatment of certain tumor types.

**C.** Syndax wishes to conduct clinical study(ies) in patients with the Initial Indication (defined below) in which the Genentech Compound and the Syndax Compound will be dosed in combination.

**D.** Genentech and Syndax, consistent with the terms of this Agreement, desire to collaborate as more fully described herein, including by providing the Genentech Compound and the Syndax Compound for the Study.

**E.** Syndax is willing to provide to Genentech the Study Data, the Sample Data and the Final Study Report (each, defined below).

**AGREEMENT**

**NOW, THEREFORE,** for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Genentech and Syndax agree as follows:

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**Article 1**  
**Definitions**

Capitalized terms used in this Agreement shall have the meanings set forth below, unless otherwise specifically indicated.

**1.1 “Affiliate”** of a Party means any corporation or other business entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such Party. For purposes of this definition, the term “control” (including the correlative meanings, “controlled by” and “under common control with”) means (a) the direct or indirect ownership of more than fifty percent (50%) of the stock having the right to vote for directors thereof (or general partnership interests) or (b) the ability to otherwise control the decisions of the board of directors or equivalent governing body thereof. Notwithstanding the foregoing, for purposes of this Agreement, Chugai Pharmaceutical Co., Ltd (for purposes of this definition, “**Chugai**”) and FMI Medicine, Inc. (for purposes of this definition, “**FMI**”), and all business entities controlled by Chugai or FMI, shall not be considered Genentech’s Affiliates, unless and until Genentech elects to include one or more of such business entities as its Affiliate, by providing written notice to Syndax of such election.

**1.2 “Ancillary Agreements”** means the Quality Agreement and the PV Agreement.

**1.3 “Applicable Law”** means all (a) federal, state, local, national and regional statutes, laws, rules, regulations and directives applicable to a particular activity under this Agreement (including the performance of clinical trials and medical treatment) that may be in effect from time to time (including GCP, GLP, GMP and others promulgated by Regulatory Authorities); (b) applicable data protection and patient privacy laws and requirements (including those specified in the EU Data Protection Directive and the regulations issued under HIPAA); (c) export control and economic sanctions regulations that prohibit the shipment of United States-origin products and technology to certain restricted countries, entities and individuals; (d) anti-bribery and anti-corruption laws pertaining to interactions with government agents, officials and representatives (including the United States Foreign Corrupt Practices Act); (e) laws and regulations governing payments to healthcare providers; (f) laws and requirements governing ineligibility to participate in federal, state or other healthcare programs (including debarment under 21 USC § 335a, disqualification under 21 CFR §312.70 or § 812.119, sanctions by a Federal Health Care Program (as defined in 42 USC § 1320a-7b(f)), including the federal Medicare or a state Medicaid program); and (g) successor or replacement statutes, laws, rules, regulations and directives relating to the foregoing.

**1.4 “Business Day”** means a day, other than a Saturday, Sunday or day on which commercial banks located in San Francisco, California or Boston, Massachusetts are authorized or required by law or regulation to close.

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**1.5 “Case Report Form”** means the form (whether paper or electronic) for collecting certain data about each Subject, including the data collected for such Subject.

**1.6 “CFR”** means the United States Code of Federal Regulations.

**1.7 “Collaboration IND”** means the IND that includes the Protocol.

**1.8 “Collaboration Invention”** is defined in Section 6.1(a).

**1.9 “Combination”** means the Genentech Compound and the Syndax Compound used in combination, but not co-formulated.

**1.10 “Compounds”** means the Genentech Compound and the Syndax Compound. A **“Compound”** means either the Genentech Compound or the Syndax Compound, as applicable.

**1.11 “Compound Supply Plan”** means the plan for supplying the Genentech Compound for the Study, attached as Exhibit C.

**1.12 “Confidential Information”** means nonpublic information (including Know-How) of a Party that is disclosed in connection with this Agreement (whether orally, electronically, visually or in writing) by or on behalf of such Party to the other Party or its designee. Study Data, Sample Data, Collaboration Inventions and other intellectual property shall be the Confidential Information of the Party(ies) that own such Study Data, Sample Data, Collaboration Inventions and other intellectual property, except as otherwise expressly provided in the Agreement. Data and other information (*including* Study Data, Sample Data and Collaboration Inventions) specifically and solely related to the Genentech Compound and the Syndax Compound shall be the Confidential Information solely of Genentech and solely of Syndax, respectively, and such information includes investigators’ brochures (and portions thereof), biomarker data, pharmacokinetic and pharmacodynamic data and product storage, handling, expiry, administration and in-use handling information. The terms and conditions of this Agreement and the Protocol shall be the Confidential Information of both Parties.

**1.13 “CRO”** means a Third Party service provider (e.g., a person or organization) that assumes one or more obligations of the Sponsor, in accordance with Title 21 of the CFR, or the equivalent assumption of obligations in a jurisdiction other than the United States.

**1.14 “Database Lock”** means the database lock of the Study Data after Study Completion.

**1.15 “Data Review Committee”** or **“DRC”** is defined in Section 3.2(a).

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**1.16 “EMA”** means, collectively, the European Medicines Agency and the European Commission (with respect to its functions related to marketing authorizations for medicinal products), or any successor entity thereto performing similar functions.

**1.17 “FDA”** means the United States Food and Drug Administration, or any successor entity thereto performing similar functions.

**1.18 “Final Study Report”** is defined in Section 2.8(c).

**1.19 “First Site Ready”** means when the first Participating Site has all deliverables and approvals in place to support patient enrollment in the Study.

**1.20 “GCP”** means, as to the United States and the European Union, applicable good clinical practices (for the design, conduct, performance, monitoring, auditing, recording, analyses, and reporting of clinical trials that provides assurance that the data and reported results are credible and accurate, and that the rights, integrity, and confidentiality of trial subjects are protected) in effect in the United States and the European Union, respectively, during the term of the Agreement and, with respect to any other jurisdiction, clinical practices equivalent to good clinical practices then in effect in the United States or the European Union.

**1.21 “Genentech Compound”** means atezolizumab (an anti-PD-L1 (programmed death-ligand 1) monoclonal antibody) and any formulations thereof.

**1.22 “GLP”** means, as to the United States and the European Union, applicable good laboratory practices in effect in the United States and the European Union, respectively, during the term of the Agreement and, with respect to any other jurisdiction, laboratory practices equivalent to good laboratory practices then in effect in the United States or the European Union.

**1.23 “GMP”** means, as to the United States and the European Union, applicable good manufacturing practices in effect in the United States and the European Union, respectively, during the term of the Agreement and, with respect to any other jurisdiction, manufacturing practices equivalent to good manufacturing practices then in effect in the United States or the European Union.

**1.24 “HIPAA”** means, collectively, the United States Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder, as amended from time to time.

**1.25 “IND”** means an investigational new drug application filed or to be filed with the FDA as described in 21 CFR Part 312, or the equivalent filing with a relevant Regulatory Authority in any jurisdiction (including an investigational medicinal product dossier filed or to be filed with the EMA or a clinical trial application filed or to be filed with Health Canada), together with any amendments, supplements or other additions or deletions thereto.

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1.26 “**Initial Indication**” means stage IV triple negative breast cancer.

1.27 “**Investigator**” is defined in 21 CFR § 312.3(b) and, under this Agreement, means an individual who conducts the Study at a Participating Site in any jurisdiction.

1.28 “**IRB**” means an institutional review board as described in 45 CFR Part 46, or the equivalent entity (such as an independent ethics committee) in any jurisdiction.

1.29 “**JDC Chair**” is defined in Section 3.1(b).

1.30 “**JDC Co-Leader**” is defined in Section 3.1(a).

1.31 “**Joint Development Committee**” or “**JDC**” is defined in Section 3.1(a).

1.32 “**Joint Patent**” is defined in Section 6.3(c).

1.33 “**Know-How**” means scientific or other technical information, including data, assays, protocols, methods, processes, techniques, models, designs and databases.

1.34 “**Manufacture**” or “**Manufacturing**,” or the like, means all stages of the manufacture of a Compound, including planning, purchasing, manufacture, processing, compounding, storage, filling, packaging, waste disposal, labeling, leafleting, testing, quality assurance, sample retention, stability testing, release, dispatch and supply, as applicable.

1.35 “**NDA**” means a new drug application filed or to be filed with the FDA as described in 21 CFR Part 314, or the equivalent filing with a relevant Regulatory Authority in any jurisdiction (including a marketing authorization application filed or to be filed with the EMA or Health Canada), together with any amendments, supplements or other additions or deletions thereto.

1.36 “**Participating Site**” means a hospital or other institution participating in the Study.

1.37 “**Patents**” means all patents and patent applications, in any country, including any reissues, extensions, supplementary protection certificates, registrations, divisions, continuations, continuations-in-part, reexaminations, substitutions or renewals thereof.

1.38 “**Phase 1**” means the dose escalation phase of the Study to determine the maximum tolerated dose (MTD) and/or putative optimal biologic dose of the Combination.

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**1.39 “Phase 2”** means the expansion phase of the Study to assess the preliminary efficacy signal in patients with the Initial Indication.

**1.40 “Project Participants”** means Syndax, Investigators, Subinvestigators, Participating Sites, CROs, drug distributors, vendors and subcontractors or agents of Syndax, or Syndax’s Affiliates, who conduct or assist in conducting the Study or provide related services

**1.41 “Prosecution and Maintenance”** or **“Prosecute and Maintain”** is defined in Section 6.3(a).

**1.42 “Protocol”** means the written documentation with final protocol number SNDX-275-0602, titled “A Phase 1b/2, Open-label, Dose Escalation Study of Entinostat in Combination with Atezolizumab in Patients with Metastatic Triple Negative Breast Cancer,” to be approved by the Joint Development Committee after the Effective Date, and which may be amended by the JDC in accordance with this Agreement. A summary of the Protocol as of the Effective Date is attached in Exhibit A.

**1.43 “PV Agreement”** is defined in Section 11.1.

**1.44 “Quality Agreement”** is defined in Section 4.3.

**1.45 “Regulatory Authority”** means (a) the FDA; (b) the EMA; or (c) any regulatory authority or body performing similar functions in any jurisdiction anywhere in the world.

**1.46 “Regulatory Documentation”** means, with respect to a product containing the Genentech Compound as monotherapy or the Syndax Compound as monotherapy, all submissions to Regulatory Authorities concerning the development of such product, including all INDs, NDAs, drug master files, correspondence with Regulatory Authorities, periodic safety update reports, adverse event files, complaint files, inspection reports and manufacturing records, in each case, together with all supporting documents (including documents with respect to clinical data).

**1.47 “Right of Cross-Reference”** means a written statement by a Party to the applicable Regulatory Authority that authorizes such Regulatory Authority to reference information submitted previously by such Party to such Regulatory Authority, as described in 21 CFR § 312.23(b), or the equivalent authorization in a jurisdiction other than the United States.

**1.48 “Roche Group”** means Genentech and its Affiliates.

**1.49 “Sample Analyses”** means the testing procedures and analyses of the Samples to be performed under this Agreement in accordance with the Sample Analysis Plan.

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**1.50 “Sample Analysis Plan”** means the plan, attached as Exhibit B, that outlines (a) the Sample Analyses to be performed; (b) the priority for using available Samples; (c) which Party is responsible for performing particular Sample Analyses; (d) the timing for sharing particular subsets of the Sample Data; and (e) the ownership of particular subsets of the Sample Data.

**1.51 “Sample Data”** means all data (including raw data), findings, conclusions and other results from the Sample Analyses.

**1.52 “Samples”** means biological samples collected from Subjects in accordance with the Protocol.

**1.53 “Specifications”** means, with respect to a Compound, the set of requirements for such Compound set forth in the Quality Agreement.

**1.54 “Sponsor”** is defined in 21 CFR § 312.3(b) and, under this Agreement, means the entity that takes responsibility for and initiates the Study in any jurisdiction.

**1.55 “Study”** means the clinical investigation(s) included in the Protocol to study the Combination. For purposes of this Agreement, Study *excludes* Sample Analyses.

**1.56 “Study Completion”** means the last Subject visit specified in the Protocol for primary endpoint evaluation.

**1.57 “Study Data”** means all data (including raw data), Case Report Forms, findings, conclusions and other results from the Study, including the Final Study Report. Study Data *excludes* the Sample Data. Study Data *includes* investigator reports (both preliminary and final), statistical analyses and expert opinions and reports.

**1.58 “Subinvestigator”** is defined in 21 CFR § 312.3(b) and, in the event the Study is conducted by a team at a Participating Site, means an individual designated by the Investigator who is the responsible leader of such team.

**1.59 “Subject”** is defined in 21 CFR § 312.3(b) and, under this Agreement, means a human who participates in the Study in any jurisdiction.

**1.60 “Syndax Compound”** means entinostat (an oral HDAC (histone deacetylase) inhibitor) and any formulations thereof.

**1.61 “Third Party”** means any person or entity other than a party to this Agreement.

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**Article 2**  
**Conduct of the Study**

**2.1 Overview.** The Parties wish to collaborate regarding the Study to be conducted under this Agreement. Each Party shall use commercially reasonable efforts to perform its obligations hereunder. Nothing in this Agreement shall (a) prohibit either Party from performing any additional studies relating to its own Compound, either individually or in combination with any other compound or product, in any therapeutic area or (b) create an exclusive relationship between the Parties with respect to either Compound. The Parties may agree to conduct subsequent clinical studies using the Combination, as described in Section 2.11.

**2.2 Sponsor.** Syndax shall be the Sponsor of the Study; in no event shall any member of the Roche Group be deemed a Sponsor of the Study. Syndax shall conduct, and use commercially reasonable efforts to cause all Project Participants to conduct, the Study in accordance with this Agreement, the Protocol and Applicable Law. Syndax shall be responsible for obtaining all approvals and clearances necessary to conduct the Study, including approvals from Regulatory Authorities and IRBs and customs clearances.

**2.3 IND; Investigator's Brochure.** Syndax shall own and shall file the Collaboration IND. For the avoidance of doubt, the Collaboration IND will not be a combination IND. If a Regulatory Authority requests a separate combination IND for the Study, the Parties shall meet and agree on an approach to address such request. Each Party shall be responsible for (a) drafting, and updating as necessary for the Study, an investigator's brochure for its Compound and (b) filing, as applicable, all necessary Regulatory Documentation to its existing IND for its Compound, including submitting to such IND any serious adverse event and adverse drug reaction cases emerging from the Study. Genentech shall provide to Syndax those portions of the investigator's brochure (and any updates) for the Genentech Compound that pertain to safety information and are necessary to submit or amend the Collaboration IND or to conduct the Study.

**2.4 Protocol.** The Parties agreed to a summary of the Protocol prior to executing this Agreement, and a complete Protocol will be developed by Syndax and approved by the Joint Development Committee after the Effective Date. Any proposed amendments to the Protocol necessary to protect the safety of Subjects shall be promptly reported to Genentech in writing. Notwithstanding anything to the contrary in this Agreement, the prior written consent of Genentech is required for amendments to the Protocol that are (a) material amendments (other than relating solely to the Syndax Compound), including the maximum number of Subjects to be enrolled in the Study and (b) amendments (whether or not material) relating specifically to the Genentech Compound. Genentech shall provide such consent, or a written explanation for why such consent is being withheld, within \*\*\* of receiving Syndax's request therefor. Genentech shall not unreasonably withhold its consent for such amendments.

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**2.5 Enrollment.** Syndax shall not begin enrolling Subjects until after the full execution of this Agreement. Syndax shall enroll Subjects in compliance with Applicable Law and shall be responsible for tracking enrollment at Participating Sites. The total enrollment shall not exceed the maximum number of Subjects specified in the Protocol, unless such number is increased by a Protocol amendment.

**2.6 Agreements with Project Participants.** Syndax is solely responsible for negotiating and executing appropriate agreements with CROs, Investigators, Participating Sites, drug distributors and other Project Participants. Syndax shall ensure that (a) all such agreements include terms and conditions that are necessary for Syndax to comply with the terms and conditions of this Agreement (including the confidentiality provisions in Article 7); (b) all Project Participants are appropriately qualified, and Syndax has satisfied the requirements of Section 10.2 with respect to such Project Participants; and (c) the compensation being paid to a Participating Site under its agreement with Syndax for the Study constitutes the fair market value of the services to be provided. Syndax is solely responsible for managing the Project Participants, including monitoring the conduct of the Study at the Participating Sites. In no event shall any agreement with a Project Participant represent that any member of the Roche Group is a Sponsor.

### **2.7 Regulatory Matters.**

**(a) Generally.** Syndax shall ensure that all directions from Regulatory Authorities and IRBs with jurisdiction over the Study are followed. Syndax is responsible for all regulatory obligations imposed on the Sponsor; no such obligations are transferred to any member of the Roche Group under this Agreement.

**(b) Interactions with Regulatory Authorities.** Notices, inquiries and correspondences that Syndax (or Project Participants) receive from a Regulatory Authority regarding the Study shall be handled in accordance with Section 10.3, subject to the provisions of this Section. If Syndax receives any comments or other inquiries from a Regulatory Authority regarding the Study that pertain specifically to the Genentech Compound, Syndax shall provide such inquiries to Genentech, and Genentech shall provide its responses to Syndax within the timeline imposed by the Regulatory Authority, and in no event later than \*\*\* from the date Genentech receives such inquiries from Syndax. Genentech shall have the right (but not the obligation) to participate in any discussions with a Regulatory Authority regarding matters related to the Genentech Compound, to the extent permitted by such Regulatory Authority.

**(c) Rights of Reference.** Promptly after the Effective Date, and during the Study, each Party shall provide a Right of Cross-Reference to the existing IND for its Compound to the extent necessary to allow the Study to be conducted under the Collaboration IND.

### **2.8 Documentation, Updates and Final Study Report.**

**(a) Documentation.** Each Party shall maintain reports and documentation arising in connection with the Study in good scientific manner and in compliance with Applicable Law. Each Party shall provide to the other

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Party all such reports and documentation arising from the Study (including reports of interim analyses, if applicable) reasonably requested to enable such other Party to comply with any of its legal, regulatory and/or contractual obligations, or any request by a Regulatory Authority, in all cases related to the Genentech Compound or the Syndax Compound, as applicable.

**(b) Updates.** Syndax shall provide written updates regarding the status of the Study (including enrollment status, project timelines, Genentech Compound inventory and Genentech Compound forecasting) to Genentech on a quarterly basis. At Genentech's request, in lieu of a written update, Syndax shall provide such quarterly update to Genentech orally, either in person or by telephone.

**(c) Final Study Report.** Syndax shall use its best efforts to complete the Study as outlined in the Protocol. Syndax shall summarize the findings of the Study in a Final Study Report. Syndax shall provide the Final Study Report to Genentech within six (6) months after Database Lock. "**Final Study Report**" means a formal clinical study report documenting and summarizing the results and interpretation of the Study, including the trial design, trial objectives, patient assessment, data analysis, results, risk/benefit analysis, safety and effectiveness.

**2.9 Genentech Study Responsibilities.** In addition to Genentech's obligations to supply the Genentech Compound under Section 4.2 and provide responses to Syndax pertaining to those Regulatory Authority inquiries specified under Section 2.7(b), Genentech shall provide and make available to Syndax necessary information about the Genentech Compound to conduct the Study, including to support interactions with Regulatory Authorities and IRBs. Genentech shall make available to Syndax safety data related to the Genentech Compound necessary to file the Collaboration IND and to conduct the Study.

**2.10 Costs.** Each Party shall perform its obligations under this Agreement at its own expense (e.g., performing the Sample Analyses under Section 5.2), including its internal costs. Except for the foregoing or as otherwise expressly provided in the Agreement (e.g., Genentech's obligation to supply the Genentech Compound under Section 4.2), or agreed to in writing by the Parties, \*\*\* shall be \*\*\* responsible for the costs of the Study.

**2.11 Additional Studies.** If a Party would like to conduct additional clinical studies using the Combination, at the request of such Party, the Parties shall discuss in good faith the possibility of, and the terms and conditions for, conducting such clinical studies, including cost sharing, decision making and the supply of Compounds. This Section shall survive the expiration of this Agreement for a period of \*\*\*.

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**Article 3**  
**Governance**

**3.1 Joint Development Committee.**

**(a) Establishment of the JDC.** Within thirty (30) days after the Effective Date, the Parties shall establish a Joint Development Committee (“**Joint Development Committee**” or “**JDC**”) to oversee the Study. The JDC shall be composed of at least two (2), but no more than three (3) representatives designated by each Party (and the Parties need not have the same number of representatives). The representatives shall be appropriate (in terms of their seniority, availability, function in their respective organizations, training and experience) for the activities then being undertaken. Each Party shall designate one of its representatives as its primary JDC contact for JDC matters (such Party’s “**JDC Co-Leader**”). A Party may replace any or all of its representatives (and designated JDC Co-Leader) at any time by informing the other Party’s JDC Co-Leader in advance, in writing (which may be by email). The JDC shall exist for the term of the Agreement.

**(b) Chair of JDC.** A Joint Development Committee representative from Syndax shall chair the Joint Development Committee (“**JDC Chair**”). The JDC Chair shall be responsible for the following: (i) scheduling JDC meetings and setting meeting agendas; (ii) calling emergency JDC meetings; and (iii) any additional responsibilities specified in the Agreement. Notwithstanding the foregoing, Genentech’s JDC representatives have the right to schedule meetings, raise matters for discussion and put matters to a vote.

**(c) Responsibilities of the JDC.** The Joint Development Committee shall be responsible for performing the following functions:

**(i)** review and approve the final version of the Protocol and any amendments to the Protocol, subject to Section 2.4;

**(ii)** discuss potential Participating Sites and Investigators;

**(iii)** review the progress of the Study and make necessary joint decisions;

**(iv)** establish the Data Review Committee (as described in Section 3.2) and decide how to address its recommendations;

**(v)** coordinate, and be the primary conduit for, the transfer of materials and information between the Parties, including the Study Data, the Final Study Report, the Samples and the Sample Data; and

**(vi)** perform such other functions as appropriate to further the purposes of the Study, or as otherwise specified in this Agreement or agreed to by the Parties.

**(d) Decision Making Authority.** With respect to the responsibilities of the Joint Development Committee, each Party shall have one (1) collective vote in all decisions, and

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the Parties shall attempt to make decisions by reaching agreement. If the JDC cannot reach agreement within \*\*\* of a disputed matter being brought to a vote, either Party may refer the dispute to the Parties' executives for resolution in accordance with Section 15.1 and the other provisions of Article 15. The JDC has no authority to amend, or to waive compliance with, any provisions of this Agreement.

**(e) Meetings; Attendees; Decisions.** Once established, the Joint Development Committee shall meet at least once each calendar quarter and at such other times as deemed appropriate by the JDC. The JDC may meet in person or via teleconference, video conference or the like, provided that at least one (1) meeting per calendar year shall be held in person (unless otherwise agreed by the Parties). Each Party shall bear the expense of its respective representatives' participation in JDC meetings. If a Party's representative is unable to attend a given meeting, such Party may designate a knowledgeable alternate to attend such meeting and perform the functions of such representative. Each Party may invite a reasonable number of non-voting employees, consultants or scientific advisors to attend JDC meetings, provided that such invitees are bound by appropriate confidentiality obligations. The JDC shall document in writing (which may be by email) all decisions made, action items assigned or completed and other appropriate matters.

**(f) Sub-Teams; Designees.** From time to time, the Joint Development Committee may establish sub-teams to oversee particular projects or activities, and such sub-teams will be constituted and operate as determined by the JDC. From time to time, the JDC may designate individuals (by name or function) to oversee activities, and such designees will perform such activities as determined by the JDC. By way of example, but not limitation, the JDC may establish sub-teams or designate individuals to oversee and coordinate publications strategy or patent prosecution matters.

### **3.2 Data Review Committee.**

**(a) Establishment of the DRC; Meetings.** Under the direction of the Joint Development Committee, the Parties shall establish a Data Review Committee ("**Data Review Committee**" or "**DRC**") to monitor the safety of the Compounds being used in the Study. The DRC shall be composed of (i) at least one clinician designated by Genentech familiar with the therapeutic profile of the Genentech Compound; (ii) at least one clinician designated by Syndax familiar with the therapeutic profile of the Syndax Compound; and (iii) if the Parties agree to include one or more independent clinicians, such individuals shall be acceptable to both Parties, and shall be bound by appropriate confidentiality obligations. The DRC shall meet \*\*\* during Phase 1, at least every \*\*\* during Phase 2 and \*\*\* during the conduct of the Study.

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**(b) Responsibilities of the DRC.** The Data Review Committee shall be responsible for performing the following functions:

(i) evaluate suspected dose-limiting toxicities (using criteria defined in the Protocol, if applicable) and adjudicate treatment related adverse events, based on clinical experience with the Compounds;

(ii) make recommendations to the JDC to hold dosing or enrollment, if safety data require further evaluation;

(iii) make recommendations to the JDC to end dosing or enrollment; and

(iv) perform such other functions as directed by the JDC or agreed to by the Parties.

**(c) Advisory Body.** The Data Review Committee shall be solely an advisory body without any power to make decisions that bind either Party.

#### **Article 4 Supply of Study Drugs**

**4.1 Syndax Compound.** Syndax shall use commercially reasonable efforts to Manufacture and supply, at its expense, sufficient quantities of the Syndax Compound to conduct the Study. Syndax represents and warrants to Genentech that the Syndax Compound used in the Study shall be Manufactured and delivered to the Participating Sites in compliance with: (a) the Specifications for the Syndax Compound and (b) Applicable Law.

#### **4.2 Genentech Compound.**

**(a) Manufacture and Supply.** Genentech shall use commercially reasonable efforts to Manufacture and supply, at its expense, the estimated quantities of the Genentech Compound specified in the Compound Supply Plan. Genentech represents and warrants to Syndax that such Genentech Compound shall be Manufactured and delivered to Syndax, a Third Party designated by Syndax or other locations agreed to by the Joint Development Committee (or its designees) (for purposes of Section 4.2, “**Delivery Locations**”) in compliance with: (a) the Specifications for the Genentech Compound; (b) the Quality Agreement; and (c) Applicable Law. Genentech shall ensure that any Genentech Compound supplied under this Agreement has, at the time of delivery, an adequate remaining shelf life to meet the Study requirements.

**(b) Delivery.** Genentech shall deliver the Genentech Compound to the Delivery Locations in accordance with the Quality Agreement and the timelines specified in the Compound Supply Plan or determined by the Joint Development Committee (or its designees). Shipments of the Genentech Compound shall include all documentation required by the Quality

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Agreement. Syndax shall require the Participating Sites to (i) maintain accurate records of all Genentech Compound received and dispensed in the conduct of the Study and (ii) properly store all Genentech Compound in accordance with any written instructions provided by Genentech and in a secure and locked location to prevent theft or misuse.

**(c) Insufficient Quantities.** If Syndax determines that the quantities of the Genentech Compound specified in the Compound Supply Plan are not sufficient to reach Study Completion, Syndax shall so notify Genentech. The Parties shall discuss the additional quantities of the Genentech Compound needed and the schedule on which Genentech shall supply such additional quantities. If Genentech reasonably believes that it will not be able supply such additional quantities of the Genentech Compound, Genentech shall not be deemed in breach of this Agreement, but shall provide prompt written notice to Syndax of the shortage (including the quantity of the Genentech Compound that Genentech reasonably determines it will be able to supply) and the Parties shall \*\*\*.

**(d) Remaining Compound.** On the completion or termination of the Study, Syndax shall ensure that all unused Genentech Compound, as well as all used and unused vials and bottles containing (or that contained) the Genentech Compound, are destroyed in accordance with Syndax's standard operating procedures and documented accordingly (including certifying such destruction in writing to Genentech), or returned to Genentech or its designated agent if Syndax is unable to properly destroy the Genentech Compound, vials or bottles.

**(e) Use of Compound.** Syndax (i) has the right to use the Genentech Compound for purposes of conducting the Study and shall only use the Genentech Compound for such purposes; (ii) shall not use the Genentech Compound in any manner inconsistent with this Agreement or for any commercial purpose; and (iii) shall use, store, transport, handle and dispose of the Genentech Compound in compliance with Applicable Law, the Quality Agreement and all instructions from Genentech. Syndax shall not attempt to derive or reverse engineer the composition or underlying information or structure of the Genentech Compound, and in particular shall not analyze the Genentech Compound by physical, chemical or biochemical means, except as necessary to perform its obligations under the Quality Agreement. Genentech shall solely own all right, title and interest in and to any inventions that result from any unpermitted use of the Genentech Compound supplied to Syndax under this Agreement; Syndax hereby assigns any such inventions to Genentech. The provisions of this Section 4.2(e) shall apply to any Third Party performing Study-related activities on behalf of Syndax *mutatis mutandis*.

**4.3 Quality Agreement.** Within \*\*\* of executing this Agreement, the Parties shall enter into a quality agreement that will govern the Manufacture and supply of the Genentech Compound under this Agreement ("**Quality Agreement**"). In the event of a conflict between the Quality Agreement and this Agreement, this Agreement shall govern and control, unless otherwise expressly provided in the Quality Agreement.

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**4.4 Mutual Obligations.** Each Party shall have all regulatory approvals (including facility licenses) required to Manufacture its Compound in compliance with Applicable Law. Each Party shall notify the other Party as promptly as possible in the event any Manufacturing delay (or other event) is likely to adversely affect its ability to fulfill its obligations to supply its Compound under this Agreement. This Agreement does not create any obligation on the part of either Party to provide its Compound for any activities other than the Study.

## **Article 5**

### **Study Data; Sample Analyses and Sample Data**

#### **5.1 Study Data.**

**(a) Database.** Syndax shall maintain all Study Data in its database, in accordance with Applicable Law. At interim time points during the Study (determined by the Joint Development Committee or its designees, taking into account, among other factors, any potential negative effects on the Study), Syndax shall provide available Study Data to Genentech (as reasonably requested by Genentech). \*\*\*, Syndax shall provide to Genentech all of the Study Data. Syndax shall provide Study Data to Genentech under this Section 5.1(a) via electronic data transfer, in SAS format or as otherwise agreed by the Parties. Syndax shall provide the Final Study Report to Genentech in accordance with Section 2.8(c).

**(b) Ownership and Use of Study Data.** \*\*\* Each Party has the right to use the Study Data for any lawful purpose; provided, however, each Party's use of the Study Data is subject to Section 6.3(e) and is subject to the limitations on disclosure of the other Party's Confidential Information in Article 7.

#### **5.2 Sample Analyses and Sample Data.**

**(a) Sample Analyses.** Syndax shall provide to Genentech the Samples necessary for Genentech to perform the Sample Analyses for which Genentech is responsible under the Sample Analysis Plan. Each Party \*\*\* shall perform (directly or through a Third Party on its behalf) the Sample Analyses for which it is responsible in the Sample Analysis Plan (to the extent Samples are available, in accordance with the priorities in the Sample Analysis Plan). Each Party shall provide to the other Party the Sample Data for the Sample Analyses such Party performed (regardless of which Party owns such Sample Data), via electronic data transfer, in the format and using the media agreed to by the Parties, on the timelines in the Sample Analysis Plan. Neither Party shall use the Samples for any purpose other than performing the Sample Analyses for which it is responsible, without the prior written consent of the other Party.

**(b) Ownership and Use of Sample Data.** \*\*\* Each Party has the right to use the Sample Data for any lawful purpose; provided, however, each Party's use of the Sample Data is subject to Section 6.3(e) and is subject to the limitations on disclosure of the other Party's Confidential Information in Article 7.

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**Article 6**  
**Collaboration Inventions and Licenses**

**6.1 Collaboration Inventions.**

**(a) Definitions and Ownership.** The definitions in this Section are for purposes of Article 6 (and as referenced in Article 1).

**(i) "Collaboration Invention"** means any invention, discovery or creation (including materials and Know-How or other intellectual property), whether or not patentable, that is first (A) conceived; (B) reduced to practice; (C) discovered; or (D) otherwise created, in each of the foregoing cases (A) through (D), by a Party (directly or by a Third Party on its behalf) (1) in the course of, or as a result of, conducting the Study, including through use of the Syndax Compound or the Genentech Compound; (2) in the course of performing activities under this Agreement, including Joint Development Committee or Data Review Committee discussions; (3) through use of the Study Data or the Sample Data; or (4) through use of the Samples, in all cases, regardless of whether conceived, reduced to practice, discovered or otherwise created solely or jointly by Syndax or Genentech (directly or by a Third Party on its behalf). Collaboration Inventions *include* new uses, compositions or formulations comprising a Compound, methods of predicting responsiveness to a Compound (and any diagnostic method or product related thereto), new methods of administration or dosing schemes for a Compound, or improvements to a Compound. Notwithstanding the foregoing definition, Collaboration Inventions *exclude* Study Data and Sample Data, the ownership and use of which is addressed in Article 5.

**(ii) "Genentech Owned Invention"** means a Collaboration Invention that relates \*\*\* to (A) \*\*\* or (B) \*\*\*. For the avoidance of doubt, any Collaboration Invention \*\*\*, even where \*\*\*, is a Genentech Owned Invention. Genentech shall solely own all right, title and interest in and to the Genentech Owned Inventions.

**(iii) "Jointly Owned Invention"** means a Collaboration Invention that relates to (A) \*\*\* or (B) \*\*\*. Jointly Owned Inventions *exclude* Genentech Owned Inventions and Syndax Owned Inventions. Subject to the licenses granted by one Party to the other in Section 6.2, Genentech and Syndax shall jointly own all right, title and interest in and to the Jointly Owned Inventions.

**(iv) "Other Invention"** means a Collaboration Invention that is not a Genentech Invention, a Syndax Invention or a Jointly Owned Invention. The ownership of Other Inventions shall be determined in accordance with United States patent laws.

**(v) "Syndax Owned Invention"** means a Collaboration Invention that relates \*\*\* to (A) \*\*\* or (B) \*\*\*. For the avoidance of doubt, any Collaboration Invention \*\*\*, even where \*\*\*, is a Syndax Owned Invention. Syndax shall solely own all right, title and interest in and to the Syndax Owned Inventions.

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**(b) Disclosure.** Each Party shall promptly disclose to the other Party any Collaboration Inventions conceived, reduced to practice, discovered or otherwise created by such Party (directly or by a Third Party on its behalf).

**(c) Inventorship. \*\*\***

**(d) Assignments and Cooperation.** Each Party hereby assigns to the other Party a joint or sole ownership interest in the Collaboration Inventions as necessary to effectuate ownership of the Collaboration Inventions as set forth in Section 6.1(a). Each Party shall require its employees and Third Parties to assign to such Party any Collaboration Inventions conceived, reduced to practice, discovered or otherwise created by such employees or Third Parties, and to cooperate with such Party in connection with obtaining patent protection therefor. The Parties agree to cooperate with each other to effectuate ownership of the Collaboration Inventions as set forth in Section 6.1(a), including by executing and recording documents.

**6.2 Licenses.**

**(a) License to Syndax.** Genentech hereby grants to Syndax a non-exclusive, worldwide, fully paid, perpetual, sublicensable (as described in Section 6.2(c)) license, under Genentech's right, title and interest in and to the Genentech Owned Inventions, solely for the purpose of performing research, development and/or commercialization of the Syndax Compound for use in the Combination.

**(b) License to Genentech.** Syndax hereby grants to Genentech a non-exclusive, worldwide, fully paid, perpetual, sublicensable (as described in Section 6.2(c)) license, under Syndax's right, title and interest in and to the Syndax Owned Inventions, solely for the purpose of performing research, development and/or commercialization of the Genentech Compound for use in the Combination.

**(c) Sublicenses; Exercise of Licensed Rights by Third Parties.** Each Party may sublicense the rights granted to such Party under Section 6.2, and any rights under such sublicense may be further sublicensed to multiple tiers of sublicensees. Further, the rights under such licenses may be exercised by a Third Party on behalf of such Party (or a sublicensee) without the grant of a sublicense of such rights.

**(d) No Implied Licenses.** Except as otherwise expressly provided in this Agreement, this Agreement does not grant any right or license to either Party under any of the other Party's intellectual property rights (including pre-existing or independently developed intellectual property rights), and no other right or license is to be implied or inferred from any provision of this Agreement or by the conduct of the Parties.

**6.3 Patent Prosecution and Maintenance.**

**(a) Definitions.** The definitions in this Section are for purposes of Article 6 (and as referenced in Article 1):

(i) "Outside Patent Counsel" means outside patent counsel agreed to by Genentech and Syndax.

(ii) "Prosecution and Maintenance" or "Prosecute and Maintain," with regard to a given Patent, means \*\*\*.

**(b) Solely Owned Inventions.** Each Party, in its sole discretion and at its sole expense, has the right (but not the obligation) to Prosecute and Maintain any Patents for Collaboration Inventions that such Party solely owns, including the right to use Study Data and Sample Data in such Prosecution and Maintenance.

**(c) Jointly Owned Inventions.** The provisions of this Section 6.3(c) apply to the Prosecution and Maintenance of any Patents for Jointly Owned Inventions (each, a "Joint Patent").

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**(i) Prosecution and Maintenance.** The Parties shall \*\*\* for the Prosecution and Maintenance of any Joint Patent, including deciding on \*\*\*. Notwithstanding anything to the contrary, in the event that, for all or particular activities, one Party wants to retain Outside Patent Counsel and the other does not want to retain Outside Patent Counsel, \*\*\*.

**(ii) Cooperation.** Each Party shall cooperate with and assist the other Party in the Prosecution and Maintenance of any Joint Patent, including (A) consulting with the other Party after receiving any substantial action or development in the Prosecution and Maintenance of such Patent and (B) making its relevant scientists and scientific records reasonably available. In addition, each Party shall sign and deliver, or use reasonable efforts to have signed and delivered, at no charge to the other Party, all documents necessary in connection with such Prosecution and Maintenance.

**(iii) Instructions to Outside Patent Counsel.** With respect to any Joint Patent, the Outside Patent Counsel (if any) shall be instructed to (A) keep the Parties informed regarding the Prosecution and Maintenance thereof; (B) promptly furnish to each Party a copy of such Patent and copies of documents relevant to such Prosecution and Maintenance, including copies of correspondence with any patent office, foreign associates and outside counsel; and (C) act on the Parties' instructions relating to such Prosecution and Maintenance.

**(iv) Costs.** Except as provided in Section 6.3(c)(v), \*\*\* the out-of-pocket costs for all Joint Patents.

**(v) Assignment to One Party.** In the event that one Party (for purposes of this Section, the "**Filing Party**") wishes to file a patent application for a given Jointly Owned Invention and the other Party (for purposes of this Section, the "**Non-Filing Party**") does not wish to file such patent application in any countries or in particular countries, the Non-Filing Party shall execute such documents and perform such acts, at the Filing Party's expense, as may be reasonably necessary to effect an assignment of such Jointly Owned Invention (including applicable patent applications) to the Filing Party in all applicable countries, in a timely manner, to allow the Filing Party to Prosecute and Maintain such patent applications, at the Filing Party's expense. Likewise, if a Party (for purposes of this Section, the "**Opting-Out Party**") wishes to discontinue the Prosecution and Maintenance of a patent application for a given Jointly Owned Invention in any countries or in particular countries, the other Party, at its sole option (for purposes of this Section, the "**Continuing Party**"), may continue such prosecution and maintenance. In such event, the Opting-Out Party shall execute such documents and perform such acts, at the Continuing Party's expense, as may be reasonably necessary to effect an assignment of such Jointly Owned Invention (including applicable patent applications) to the Continuing Party in all applicable countries, in a timely manner, to allow the Continuing Party to Prosecute and Maintain such patent applications, at the Continuing Party's expense. The Non-Filing Party and the Opting-Out Party (as applicable) shall be entitled to receive copies of all patent applications filed and all related Prosecution and Maintenance documents. Any Jointly Owned Invention (including applicable patent applications) so assigned shall thereafter be owned solely by the Filing Party or Continuing Party (as applicable), and the Non-Filing Party or the Opting-Out Party (as applicable) shall have \*\*\*.

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**(d) Use of Jointly Owned Inventions.**

**(i) General.** Subject to the other provisions in Section 6.3 (including Section 6.3(d)(ii)), \*\*\*.

**(ii) Limitations.** \*\*\*.

**(e) Limitations on Patent Prosecution.** Notwithstanding anything to the contrary in Section 5.1(b) and Section 5.2(b), and except as expressly provided in Section 6.3(b) and Section 6.3(c), without the prior written consent of the other Party:

**(i)** \*\*\*

**(ii)** \*\*\*

**(iii)** \*\*\*

**(iv)** \*\*\*.

**6.4 Patent Enforcement and Defense.** The rights and obligations of each Party with respect to the enforcement and defense of a given Patent for a Collaboration Invention (including settling related claims, suits or actions) shall be the same as the rights and obligations of such Party with respect to the Prosecution and Maintenance of such Patent under Section 6.3 *mutatis mutandis*. In the event that a Party takes action to enforce or defend a given Patent for a Collaboration Invention, the other Party, at the acting Party's expense, shall provide all reasonable assistance and cooperation, including, by way of example, being joined as a party to the action, providing any necessary powers of attorney and executing any other required documents or instruments for such purposes.

**Article 7  
Confidentiality**

**7.1 Disclosure and Use of Confidential Information.** Except to the extent expressly authorized by this Agreement (including under Section 7.3), each Party (for purposes Article 7, the "**Receiving Party**") in possession of the Confidential Information of the other Party (for purposes Article 7, the "**Disclosing Party**") agrees to: (a) hold in confidence and not disclose the Disclosing Party's Confidential Information to any Third Party (other than by a Party to an Affiliate under an obligation of confidentiality) and (b) only use (or permit the use of) the Disclosing Party's Confidential Information in connection with activities contemplated by this Agreement. Except as otherwise expressly provided in this Agreement, nothing in Article 7 shall restrict either Party from using or disclosing any of its own Confidential Information for any purpose whatsoever.

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**7.2 Exceptions.** The obligations of the Receiving Party set forth in Section 7.1 shall not apply to the Disclosing Party's Confidential Information to the extent that the Receiving Party establishes by written evidence that such Confidential Information:

- (a) was already known to the Receiving Party, other than under an obligation of confidentiality, at the time of its disclosure by the Disclosing Party;
- (b) was generally available to the public or otherwise part of the public domain at the time of its disclosure by the Disclosing Party;
- (c) became generally available to the public or otherwise part of the public domain, other than through any act or omission of the Receiving Party in breach of this Agreement, after its disclosure by the Disclosing Party;
- (d) was disclosed to the Receiving Party, other than under an obligation of confidentiality, by a Third Party who had no obligation to the Disclosing Party not to disclose such information to others;
- (e) was subsequently developed by or on behalf of the Receiving Party without use of the Disclosing Party's Confidential Information; or
- (f) is no longer subject to the provisions of Section 7.1 by the prior written consent of the Disclosing Party.

### **7.3 Authorized Disclosures.**

**(a) Legal Compliance.** A Party may disclose the other Party's Confidential Information if such disclosure is required by law, rule or regulation (including to comply with the order of a court or governmental regulations), but only to the extent such disclosure is reasonably necessary for such compliance; provided, however, except for disclosures otherwise permitted under Section 7.3, or as otherwise required or necessitated by law, such Party shall provide prompt notice of such disclosure requirement to the other Party and provide reasonable assistance to enable such other Party to seek a protective order or otherwise prevent such disclosure (in each case, to the extent it is legally permitted to do so).

**(b) Regulatory Authorities.** A Party may disclose the other Party's Confidential Information to Regulatory Authorities to the extent such disclosure is required to comply with applicable governmental regulations or is in connection with such Party's filings, submissions and communications with Regulatory Authorities regarding such Party's Compound.

**(c) Patent Prosecution.** The prosecution of patent applications for Collaboration Inventions, which are the sole or joint Confidential Information of a Party or the Parties, is governed by Section 6.3.

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**(d) Publications and Presentations.** The publication and presentation of Study Data and Sample Data, including provisions regarding the Confidential Information of a Party contained in such a disclosure, is governed by Section 8.2.

**(e) Subcontractors.** A Party may disclose the other Party's Confidential Information to subcontractors to the extent such disclosure is required to conduct the Study or to otherwise fulfill its obligations under this Agreement; provided, however, any such subcontractors must be contractually bound in writing by obligations reasonably similar to those set forth in Section 7.1. By way of example, but not limitation, Syndax may, subject to the foregoing, disclose Genentech's Confidential Information and the Protocol to CROs, prospective and actual Participating Sites, IRBs, Investigators, the Data Review Committee and any advisory boards related to the Study.

**(f) Affiliates; Professional Advisors; Other Third Parties.** A Party may disclose the other Party's Confidential Information, on a confidential basis and to the extent reasonably necessary, to its Affiliates, board members, accountants, attorneys, auditors and other professional advisors for the sole purpose of enabling such disclosees to provide advice to such Party in connection with the research, development or commercialization of such Party's Compound. \*\*\*

**7.4 Continuing Obligation.** Article 7 shall survive the expiration or termination of this Agreement for a period of \*\*\*.

**7.5 Termination of Prior Agreements.** As of the Effective Date, this Agreement supersedes the Non-Disclosure Agreement between Syndax and Hoffman-La Roche Inc. (covering the Roche Group, including Genentech) effective as of \*\*\*. All "Information" (as defined in such non-disclosure agreement) exchanged between the Parties thereunder shall be deemed Confidential Information hereunder and shall be subject to the provisions of Article 7.

## **Article 8**

### **Public Disclosures; Use of Names**

**8.1 Clinical Trials Registries.** Syndax agrees that it is the "responsible party" as that term is used in Title VIII Section 801 of the Food Drug Administration Amendments Act 2007 (known as FDAAA 801) and, as such, agrees to timely post the required Study information on ClinicalTrials.gov, and on other clinical trials registries as required by Applicable Law.

**8.2 Publications and Presentations.** Syndax shall publish or present the final results of the Study (in accordance with this Section 8.2), whether such results are positive or negative in any respect, such as with respect to the Combination or either Compound. Authorship of publications or presentations of any Study Data or Sample Data shall be determined in accordance with appropriate scientific and academic standards and customs. In the event that

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either Party (for purposes of this Section, the “**Publishing Party**”) wishes to publish or present any Study Data or Sample Data, the Publishing Party shall submit to the other Party (for purposes of this Section, the “**Reviewing Party**”) all materials related to the proposed publication or presentation (including posters, abstracts, manuscripts and written descriptions of oral presentations) at least \*\*\* (or \*\*\*, in the case of abstracts) prior to the date of submission for publication or the date of presentation, whichever is earlier, of any of such submitted materials. The Reviewing Party shall review such submitted materials and respond to the Publishing Party as soon as reasonably possible, but in any case within \*\*\* (or \*\*\*, in the case of abstracts) of receipt thereof. The Publishing Party will be permitted to publish or present such Study Data or Sample Data, but shall give reasonable consideration to any request by the Reviewing Party; provided, however, at the request of the Reviewing Party, the Publishing Party shall (i) delete from such proposed publication or presentation Confidential Information of the Reviewing Party (including Sample Data owned solely or jointly by the Reviewing Party), provided that the Publishing Party shall have no obligation to delete any Study Data; and/or (ii) if such proposed publication or presentation contains patentable subject matter owned solely or jointly by the Reviewing Party, delay such proposed publication or presentation, for \*\*\*, to permit the Reviewing Party to prepare and file a patent application. The Publishing Party shall comply with all applicable requirements regarding disclosure of industry support (financial or otherwise) in connection with any publications and presentations. For clarity, the provisions of this Section 8.2 only apply to publications or presentations of Study Data or Sample Data and do not apply to any other publications or presentations by a Party, including with respect to results from such Party’s development activities outside of the Study.

### **8.3 Press Releases and Other Public Disclosures.**

**(a) Generally.** For purposes of Section 8.3, a “**Disclosure**” means a press release or other public disclosure concerning this Agreement or the subject matter hereof, including the terms and conditions of this Agreement and the Protocol. The provisions of Section 8.3 are in addition to the provisions of Article 7.

**(b) Review and Approval.** Each Party agrees that the other Party shall have no less than \*\*\* (before the date of a proposed Disclosure) to review and provide comments regarding any proposed Disclosure (subject to Section 8.3(d)), unless a shorter review time is agreed to by both Parties. Except for Disclosures covered by other provisions of Section 8.3, if a Party desires to make a Disclosure, it shall obtain the other Party’s prior written approval for the proposed Disclosure. Disclosures include public communications that contain previously disclosed information; provided, however, neither Party shall be required to obtain the other Party’s approval to repeat any information regarding the terms of this Agreement that has already been publicly disclosed by such Party, or by the other Party, in accordance with Section 8.3, provided such information remains accurate at such time.

**(c) Press Release by Syndax.** On or immediately after the Effective Date, Syndax shall be permitted to issue the press release in Exhibit D.

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**(d) Disclosure Required by Law.** In the event that one Party reasonably concludes, based on the opinion of legal counsel, that a Disclosure is required by law, rule or regulation (including the disclosure requirements of the Securities and Exchange Commission or the securities exchange or other stock market on which such Party's securities are traded (for purposes of Section 8.3, collectively, an "**Exchange**")), such Party shall provide the other Party with such advance notice of this Disclosure as it reasonably can, but shall not be required to obtain approval therefor. Each Party agrees that it shall obtain its own legal advice with regard to its compliance with securities laws, rules and regulations, and will not rely on any statements made by the other Party relating to such securities laws, rules and regulations.

**(e) Filing of Agreement.** The Parties acknowledge that either or both Parties may be obligated under the disclosure requirements of an Exchange to file a copy of this Agreement with such Exchange. Each Party shall be entitled to make such a required filing, provided that it uses reasonable efforts to request confidential treatment of the commercial terms and sensitive technical terms of this Agreement, to the extent such confidential treatment is reasonably available to such Party. The filing Party shall provide to the other Party a copy of this Agreement marked to show the provisions for which the filing Party intends to seek confidential treatment no less than \*\*\* before the date of the proposed filing, for such other Party's review and comment, and shall thereafter provide reasonable advance notice and opportunity for comment on any subsequent changes to the proposed redactions.

**8.4 Use of Names.** Each Party agrees to identify the other Party and acknowledge its support in any press release and any publication or presentation of the Study Data or Sample Data (which shall be in accordance with other provisions of this Agreement, including Section 8.2). Except as otherwise expressly provided in this Agreement, no right, express or implied, is granted by the Agreement to use in any manner the name of "Syndax," "Genentech" or any other trade name or trademark of the other Party in any public statement or for commercial, marketing or other promotional purpose, without the other Party's prior written consent.

## **Article 9 Human Subjects**

**9.1 Informed Consent.** Syndax shall obtain the informed consent of Subjects, in accordance with Applicable Law. The informed consent form shall (a) include risks and discomforts associated with the Genentech Compound substantially similar to those identified in the safety information made available to Syndax by Genentech; (b) not represent that any member of the Roche Group is a Sponsor; (c) not represent that any member of the Roche Group agrees to compensate Subjects for Study-related injuries; and (d) not represent that any member of the Roche Group shall provide the Genentech Compound to Subjects after Study Completion or earlier Study termination.

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**9.2 IRB Approval.** Syndax shall obtain IRB review and approval of the Protocol and the informed consent form for the Study in accordance with Applicable Law.

**9.3 Patient Privacy and Data Protection.** The Parties shall comply with Applicable Law relating to patient privacy and data protection, as applicable to such Party. Such compliance includes obtaining, in a manner consistent with HIPAA, authorization from each Subject to provide such Subject's Protected Health Information (or "PHI" as that term is defined in HIPAA) to Syndax, and its representatives, collaborators (including Genentech and other members of the Roche Group) and licensees for the purposes of (a) conducting the Study; (b) conducting research directly related to the health condition under investigation pursuant to the Protocol and related diseases; (c) the use of the Genentech Compound and the Syndax Compound in disease therapy or diagnosis; and (d) inspecting records and/or facilities relevant to the Study.

## **Article 10**

### **Records; Debarment; Investigations and Inquiries**

**10.1 Records.** In addition to providing Study Data to Genentech under Section 5.1(a), Syndax shall permit, and shall use commercially reasonable efforts to ensure that each Project Participant shall permit, Genentech to inspect records and facilities relevant to the Study, upon request at reasonable times during normal business hours. Syndax (or its designee) shall maintain such records for at least the period of time required by Applicable Law, but for no less than \*\*\* following the completion or termination of the Study.

**10.2 Debarment.** Syndax shall require each Project Participant to (a) represent and warrant or (b) represent and certify, in either case (as applicable), that neither such Project Participant nor anyone employed by such Project Participant has been debarred under 21 USC § 335a, disqualified under 21 CFR § 312.70 or § 812.119, sanctioned by a Federal Health Care Program (as defined in 42 USC § 1320a-7b(f)), including the federal Medicare or a state Medicaid program, or debarred, suspended, excluded or otherwise declared ineligible from any other similar regional, national, federal or state agency or program. If a Project Participant receives notice of debarment, suspension, sanction, exclusion, ineligibility or disqualification under the foregoing-referenced statutes, Syndax shall promptly notify Genentech, and the Parties shall cooperate to appropriately address the matter.

**10.3 Investigations and Inquiries.** If Syndax, or any other Project Participant receives (a) a notice from a Regulatory Authority that it plans to conduct an investigation covering, in whole or in part, data or other activities relating to the Study or (b) an inquiry or other correspondence from a Regulatory Authority regarding, in whole or in part, data or other activities relating to the Study, Syndax shall promptly forward any such notices, inquiries and

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correspondences to Genentech. Unless prohibited by such Regulatory Authority, Syndax shall allow Genentech to participate in any investigations or responses to such inquiry. For clarity, Genentech has no obligation to so participate, other than as expressly provided in the Agreement (e.g., under Section 2.7(b) and Section 2.9).

## **Article 11 Safety Reporting**

**11.1 Pharmacovigilance Agreement.** Syndax shall comply with Applicable Law for safety reporting requirements, including the requirements in 21 CFR § 312.32. Prior to First Site Ready, the Parties shall enter into a pharmacovigilance agreement setting forth the Parties' responsibilities and obligations with respect to the procedures and timeframes for compliance with Applicable Law pertaining to safety reporting of the Compounds and their related activities for the Study ("PV Agreement"). Syndax shall be responsible for reporting adverse events from the Study to Regulatory Authorities.

## **Article 12 Term; Termination**

**12.1 Term.** This Agreement shall be effective as of the Effective Date. Unless sooner terminated as provided in Article 12, this Agreement shall expire on the day after the *later* of the following events: (a) Syndax provides the Final Study Report to Genentech in accordance with Section 2.8(c) or (b) each Party provides to the other Party the Sample Data in accordance with Section 5.2(a).

**12.2 Termination for Material Breach.** Either Party may terminate this Agreement, by notice to the other Party, for any material breach of this Agreement by the other Party, if such breach is not cured within \*\*\* after the breaching Party receives notice of such breach from the non-breaching Party; provided, however, if such breach is not capable of being cured within such \*\*\* period, the cure period shall be extended for such amount of time that the Parties agree to in writing is reasonably necessary to cure such breach, so long as the breaching Party is using diligent efforts to do so.

**12.3 Termination for Other Reasons.** Either Party may terminate this Agreement immediately, by notice to the other Party, if: (a) based on a review of Study Data or other Study-related information, such Party determines that the Study may unreasonably affect patient safety; (b) any Regulatory Authority or IRB withdraws the authorization and/or approval to conduct the Study; (c) any Regulatory Authority takes any action, or raises any objection, that prevents such Party from supplying its Compound for purposes of the Study; (d) the other Party breaches the representation and warranty under Section 13.1(c); or (e) such Party determines, in

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its sole discretion, to discontinue all development of its Compound, for medical, scientific, business or legal reasons, provided that if Genentech is the terminating Party under this clause (d), it shall use commercially reasonable efforts to fulfill its supply obligations under Section 4.2 after such termination.

#### **12.4 Effects of Termination or Expiration.**

**(a) Study Wind-Down.** Following termination of this Agreement under Section 12.2 or Section 12.3, the Parties shall cooperate to ensure the orderly wind-down of Study activities, taking into consideration the safety and welfare of Subjects.

**(b) Accrued Rights and Obligations.** Except as otherwise expressly provided in this Agreement, termination of this Agreement shall not affect the rights and obligations of the Parties that accrued prior to the effective date of such termination. Any right that a Party has to terminate this Agreement, and any rights that such Party has under Article 12, shall be in addition to and not in lieu of all other rights or remedies that such Party may have at law or in equity or otherwise.

**(c) Survival.** Except as otherwise expressly provided in this Agreement, the following shall survive this Agreement's expiration or termination for any reason: (i) Sections 2.7 (Regulatory Matters), 2.8(a) (Documentation), 2.11 (Subsequent Studies), 4.2(e) (Use of Compound), 5.1(b) (Ownership and Use of Study Data), 5.2 (Sample Analyses and Sample Data) and 9.3 (Patient Privacy and Data Protection) and (ii) Article 1 (Definitions), Article 6 (Collaboration Inventions and Licenses), Article 7 (Confidentiality), Article 8 (Public Disclosures; Use of Names), Article 10 (Records; Debarment; Investigations and Inquires), Article 12 (Term; Termination), Article 13 (Representations and Warranties) and any representations and warranties in other Sections of the Agreement, Article 14 (Indemnification; Limitation on Liability; Insurance), Article 15 (Dispute Resolution) and Article 17 (Miscellaneous). To the extent applicable to a Section or Article that survives the expiration or termination of this Agreement, any other Sections and Articles that are (directly or indirectly) referenced in, or refer to, such surviving Section or Article shall survive.

### **Article 13 Representations and Warranties**

**13.1 Mutual Representations and Warranties.** Each Party represents and warrants to the other Party the following:

**(a)** Such Party has the full right, power and authority, and has obtained all approvals, permits or consents necessary, to enter into this Agreement, to perform all of its obligations hereunder.

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(b) Such Party has not prior to the Effective Date entered into, and shall not following the Effective Date enter into, any agreement that conflicts in any way with this Agreement or such Party's obligations hereunder.

(c) Neither such Party nor anyone employed by it has been debarred under 21 USC § 335a, disqualified under 21 USC § 312.70 or § 812.119, sanctioned by a Federal Health Care Program (as defined in 42 USC § 1320a-7b(f)), including the federal Medicare or a state Medicaid program, or debarred, suspended, excluded or otherwise declared ineligible from any other similar regional, national, federal or state agency or program. If such Party receives notice of debarment, suspension, sanction, exclusion, ineligibility or disqualification under the foregoing-referenced statutes, such Party shall promptly notify the other Party, and the Parties shall cooperate to appropriately address the matter.

**13.2 Disclaimers.** NEITHER PARTY REPRESENTS OR WARRANTS THAT THE STUDY WILL BE SUCCESSFUL OR LEAD TO ANY PARTICULAR RESULT. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY OF ANY KIND WITH RESPECT TO THE COMPOUNDS, MATERIALS OR INFORMATION SUPPLIED BY IT TO THE OTHER PARTY HEREUNDER, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

## **Article 14**

### **Indemnification; Limitation on Liability; Insurance**

#### **14.1 Indemnification.**

(a) **Definitions.** The following definitions are for purposes of Section 14.1:

(i) **"Claims"** means claims, suits, actions, demands or other proceedings by any Third Party arising out of this Agreement or the Study.

(ii) **"Indemnitee"** means, as applicable, a Syndax Indemnitee (as defined in Section 14.1(b)(i)) or a Genentech Indemnitee (as defined in Section 14.1(c)(i)).

(iii) **"Losses"** means any and all liabilities, damages, settlements, penalties, fines, costs or expenses (including, reasonable attorneys' fees and other expenses of litigation).

#### **(b) Indemnification by Genentech.**

(i) **Indemnification Scope.** Genentech hereby agrees to indemnify, defend and hold harmless each of Syndax, its Affiliates and its and their officers, directors,

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employees, subcontractors and agents (for purposes of Section 14.1, each, a “**Syndax Indemnitee**”) from and against Losses incurred in connection with Claims, to the extent such Losses (A) were directly caused by (1) the negligence or willful misconduct of any Genentech Indemnitees; (2) Genentech’s breach of any of its representations, warranties, covenants or obligations under this Agreement; or (3) Genentech’s breach of any Applicable Law pertaining to activities it performs under this Agreement or (B) are attributable to \*\*\*.

**(ii) Procedures.** Syndax shall (A) notify Genentech of any Claim for which it seeks to exercise its rights under Section 14.1(b)(i) as soon as reasonably possible after it receives notice of such Claim; (B) permit Genentech to assume the sole control of the defense thereof, including the right to settle or conclude such defense; (C) cooperate as reasonably requested (at the expense of Genentech) in the defense of such Claim; and (D) not settle such Claim without the express, prior written consent of Genentech. Genentech’s obligations under Section 14.1(b)(i) shall not apply (A) to amounts paid in settlement of any Claims if such settlement is effected without Genentech’s consent or (B) to the extent any Losses were directly caused by (1) the negligence or willful misconduct of any Syndax Indemnitees; (2) Syndax’s breach of any of its representations, warranties, covenants or obligations under this Agreement; or (3) Syndax’s breach of any Applicable Law pertaining to activities it performs under this Agreement.

**(c) Indemnification by Syndax.**

**(i) Indemnification Scope.** Syndax hereby agrees to indemnify, defend (if requested by Genentech) and hold harmless each of Genentech, its Affiliates and its and their officers, directors, employees, subcontractors and agents (for purposes of Section 14.1, each, a “**Genentech Indemnitee**”) from and against Losses incurred in connection with Claims, to the extent such Losses (A) were directly caused by (1) the negligence or willful misconduct of any Syndax Indemnitees; (2) Syndax’s breach of any of its representations, warranties, covenants or obligations under this Agreement; or (3) Syndax’s breach of any Applicable Law pertaining to activities it performs under this Agreement or (B) are attributable to the \*\*\*.

**(ii) Procedures.** Genentech shall notify Syndax of any Claim for which it seeks to exercise its rights under Section 14.1(c)(i) as soon as reasonably possible after it receives notice of such Claim. If requested by Genentech, Syndax shall assume control of the defense thereof, with counsel mutually satisfactory to the Parties, including the right to settle or conclude such defense. In the event that Genentech requests that Syndax assume such control, Genentech shall (A) cooperate as reasonably requested (at the expense of Syndax) in the defense of such Claim and (B) not settle such Claim without the express, prior written consent of Syndax. Syndax’s obligations under Section 14.1(c)(i) shall not apply (A) to amounts paid in settlement of any Claims if such settlement is effected without Syndax’s consent or (B) to the extent any Losses were directly caused by (1) the negligence or willful misconduct of any Genentech Indemnitees; (2) Genentech’s breach of any of its representations, warranties, covenants or obligations under this Agreement; or (3) Genentech’s breach of any Applicable Law pertaining to activities it performs under this Agreement.

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**(d) Limitations.** The failure of an Indemnitee to deliver notice to the other Party (for purposes of this Section 14.1(d), the “**Indemnitor**”) within a reasonable time after the commencement of any Claim for which such Indemnitee seeks to exercise its rights under Section 14.1, to the extent prejudicial to the Indemnitor’s ability to defend such Claim, shall relieve the Indemnitor of its obligation to the Indemnitees under Section 14.1. The Parties agree that only Syndax or Genentech may seek to exercise the rights under Section 14.1 (on its own behalf or on behalf of its Indemnitees), and other Indemnitees may not directly seek to exercise such rights.

**(e) Study Subjects.** Syndax shall not offer compensation on behalf of Genentech to any Subject or bind Genentech to any indemnification obligations in favor of any Subject.

**14.2 Limitation on Liability.** IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES, HOWEVER CAUSED; PROVIDED HOWEVER, NOTHING IN THIS SECTION 14.2 IS INTENDED TO LIMIT THE RIGHTS OR OBLIGATIONS OF EITHER PARTY UNDER SECTION 14.1.

### **14.3 Insurance.**

**(a) General.** Each Party shall maintain insurance coverage as set forth in Section 14.3; provided, however, Genentech has the right, in its sole discretion, to self-insure, in part or in whole, for any such coverage. Insurance coverage shall be primary insurance with respect to each Party’s own participation under this Agreement and shall be maintained with an insurance company or companies having an A.M. Best’s rating (or its equivalent) of A-VII or better. On request, each Party shall provide to the other Party certificates of insurance evidencing the insurance coverage required under Section 14.3. Each Party shall provide to the other Party at least \*\*\* notice of any cancellation, nonrenewal or material change in any of the required insurance coverages. The limits of any required insurance coverage shall not limit the Parties’ liability under the indemnification provisions of this Agreement.

**(b) Genentech Coverage.** Genentech shall maintain product liability insurance relating to the Genentech Compound provided by Genentech under this Agreement, for limits no less than \*\*\*.

**(c) Syndax Coverage.** Syndax shall maintain in full force and effect through the term of this Agreement, sufficient insurance, including (i) commercial general liability (including contractual liability) insurance covering bodily injury and property damage arising out of Syndax’s obligations under this Agreement, for limits no less than \*\*\* and (ii) product liability insurance relating to the Syndax Compound provided by Syndax under this Agreement, for limits of no less than \*\*\*. For claims made type coverage, product liability insurance shall

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be maintained for a minimum of \*\*\* after the last Subject receives treatment in connection with the Study (which may be achieved, without limitation, by way of an extended reporting period endorsement), including any treatment received after Study Completion, but not less than the statute of limitations in the state or location where the Study is being conducted. Syndax shall ensure prior to the enrollment of any Subjects that the insurance policies required by this Section cover injuries that may arise in connection with a clinical trial.

## **Article 15 Dispute Resolution**

**15.1 Internal Resolution.** Except as otherwise expressly provided in this Agreement, any disputes shall be first referred to the Roche Group's Global Head of Clinical Development for Hematology/Oncology Product Development and Syndax's Chief Development Officer for resolution, prior to proceeding under the other provisions of Article 15. A dispute shall be referred to such executives upon one Party providing the other Party with notice that such dispute exists, and such executives (or their designees) shall attempt to resolve such dispute through good faith discussions. In the event that such dispute is not resolved within \*\*\* of such other Party's receipt of such notice, (a) Genentech shall have final decision making authority with respect to matters solely related to safety concerns solely related to the Genentech Compound; (b) Syndax shall have final decision making authority with respect to matters solely related to safety concerns solely related to the Syndax Compound; (c) subject to the foregoing, Syndax shall have final decision making authority with respect to operational matters with respect to conducting the Study, including selecting Participating Sites, Investigators and CROs; and (d) either Party may initiate dispute resolution under Section 15.2 with respect to any other unresolved disputes, including safety concerns related to the Combination, publications strategy and patent prosecution.

**15.2 Arbitration.** Except as otherwise expressly provided in this Agreement, the Parties agree that any dispute not resolved internally by the Parties pursuant to Section 15.1 shall be resolved through binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, except as modified in this Agreement, applying the substantive law specified in Section 17.2. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

## **Article 16 General Provisions**

**16.1 Subcontracting.** Each Party shall have the right to delegate any portion of its obligations under this Agreement to a subcontractor, provided that such Party shall remain solely and fully liable for the performance of such subcontractors. Each Party shall ensure that each of

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its subcontractors performs its obligations pursuant to the terms of this Agreement, including the Exhibits. Each Party shall use reasonable efforts to obtain and maintain copies of documents relating to the obligations performed by such subcontractors that are held by or under the control of such subcontractors and that are required to be provided to the other Party under this Agreement.

**16.2 Compliance With Laws and Policies.** Each Party shall perform activities under this Agreement in compliance with Applicable Law and in accordance with good business ethics and the ethics and other corporate policies applicable to such Party. Specifically, each Party covenants that it, its directors, employees, officers, and anyone acting on its behalf, shall not, in connection with the performance of this Agreement, directly or indirectly, make, promise, authorize, ratify or offer to make, or take any act in furtherance of any payment or transfer of anything of value for the purpose of influencing, inducing or rewarding any act, omission or decision to secure an improper advantage; or improperly assisting it in obtaining or retaining business for it or the other Party, or in any way with the purpose or effect of public or commercial bribery. Other provisions of the Agreement require compliance with specified areas of Applicable Law and such other provisions do not limit the scope of compliance required of the Parties under this Section.

## **Article 17 Miscellaneous**

**17.1 Notices.** Except as otherwise expressly provided in this Agreement, any notice required under this Agreement shall be in writing, shall specifically refer to this Agreement and shall be sent in accordance with the provisions of this Section 17.1. Notices shall be sent via one of the following means and will be effective (a) on the date of delivery, if delivered in person; (b) on the date of receipt, if sent by a facsimile (with delivery confirmed); or (c) on the date of receipt, if sent by private express courier or by first class certified mail, return receipt requested (or its equivalent). Any notice sent via facsimile shall be followed by a copy of such notice by private express courier or by first class mail. Notices shall be sent to the other Party at the addresses set forth below. Either Party may change its addresses for purposes of this Section 17.1 by sending written notice to the other Party.

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**If to Syndax:**

**Syndax Pharmaceuticals, Inc.**  
400 Totten Pond Road, Suite 110  
Waltham, Massachusetts 02451  
Attn: Chief Operating Officer  
Telephone: (781) 419-1400  
Facsimile: (781) 419-1420

**with a required copy to:**

**Syndax Pharmaceuticals, Inc.**  
400 Totten Pond Road, Suite 110  
Waltham, Massachusetts 02451  
Attn: Vice President, Product Development  
Telephone: (781) 419-1400  
Facsimile: (781) 419-1420

**If to Genentech:**

**Genentech, Inc.**  
1 DNA Way  
South San Francisco, CA 94080  
Attn: Corporate Secretary  
Telephone: (650) 225-1000  
Facsimile: (650) 467-9146

**with a required copy to:**

F Hoffmann-La Roche Ltd  
Grenzacherstrasse 124  
CH-4070 Basel  
Switzerland  
Attn: Head of Oncology, Business Development, Roche Partnering  
Telephone: +41 61 688 06 29

**17.2 Governing Law.** This Agreement shall be governed by and construed under the laws of the State of Delaware, without regard to conflict of laws principles. The Parties hereby exclude from this Agreement the application of the United Nations Convention on Contracts for the International Sale of Goods.

**17.3 Assignment.**

**(a) General.** Except as otherwise expressly provided in this Agreement, neither Party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Party, such consent not to be

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unreasonably withheld. Subject to the other provisions of Section 17.3, either Party may assign this Agreement, in its entirety, to (a) an Affiliate; (b) an acquirer of all its capital stock (by reverse triangular merger or otherwise) or all or substantially all its assets; or (c) an acquirer (whether by license or acquisition) of all of the assigning Party's rights with respect to its Compound, including rights to research, develop, manufacture and commercialize the Compound (for purposes of Section 17.3, any of the foregoing, a "**Change of Control**"), provided that in the event of any Change of Control, the party to which this Agreement is assigned expressly agrees in writing to assume and be bound by the obligations of the assigning Party under this Agreement. A copy of such writing shall be provided to the non-assigning Party within thirty (30) days of the assignment. Subject to the foregoing and other applicable provisions of Section 17.3, this Agreement will inure to the benefit of and bind the Parties' successors and assigns. Any assignment or delegation in contravention of any such applicable provisions shall be null and void. Notwithstanding any other provision of Section 17.3, this Agreement may only be assigned together with the Ancillary Agreements.

**(b) Assignment by Syndax; Acquisitions.** In the case of a Change of Control of Syndax, Syndax shall notify Genentech promptly upon completing such Change of Control if the acquiring party (i) has an \*\*\* to research, develop or commercialize a \*\*\* (for purposes of this Section, any or all of which such \*\*\* are a "\*\*\*\*") or is (ii) is working with another party on a \*\*\*, where such work includes \*\*\*. Syndax, including its acquiring party, shall (i) adopt reasonable procedures to prevent any use of Confidential Information of Genentech in any \*\*\* and (ii) provide \*\*\* to \*\*\* as soon as legally practicable. The foregoing obligations shall also apply if Syndax or a Syndax Affiliate acquires a Third Party that has, or is working with another party on, a \*\*\*. For the purposes of this Section, "\*\*\*\*" means \*\*\* that \*\*\* or otherwise \*\*\* of \*\*\* to \*\*\* of its \*\*\* or \*\*\* resulting from the \*\*\* of \*\*\* with \*\*\*. For the purposes of this Section, "\*\*\*\*" means \*\*\* that \*\*\* or otherwise \*\*\* of \*\*\* to \*\*\* of its \*\*\* or \*\*\* resulting from the \*\*\* of \*\*\* with \*\*\*.

**(c) Assignment by Genentech; Acquisitions.** In the case of a Change of Control of Genentech, Genentech shall notify Syndax promptly upon completing such Change of Control if the acquiring party (i) has an \*\*\* to research, develop or commercialize an \*\*\* (for purposes of this Section, any or all of which such \*\*\* are \*\*\*\*) or is (ii) is working with another party on \*\*\*, where such work includes \*\*\*. Genentech, including its acquiring party, shall (i) adopt reasonable procedures to prevent any use of Confidential Information of Syndax in any \*\*\*\* and (ii) provide \*\*\* to \*\*\* as soon as legally practicable. The foregoing obligations shall also apply if Genentech or a Genentech Affiliate acquires a Third Party that has, or is working with another party on, \*\*\*. For the purposes of this Section, "\*\*\*\*" means \*\*\* that \*\*\*.

**17.4 Force Majeure.** Neither Party shall be deemed to have breached this Agreement for failure to perform its obligations under this Agreement to the extent such failure results from causes beyond the reasonable control of the affected Party, such causes including acts of God, earthquakes, fires, floods, embargoes, wars, acts of terrorism, insurrections, riots, civil

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commotions, omissions or delays in action by any governmental authority, acts of a government or agency thereof and judicial orders or decrees. If a force majeure event occurs, the Party unable to perform shall promptly notify the other Party of the occurrence of such event, and the Parties shall meet (in person or telephonically) promptly thereafter to discuss the circumstances relating thereto. The Party unable to perform shall (a) provide reasonable status updates to the other Party from time to time; (b) use commercially reasonable efforts to mitigate any adverse consequences arising out of its failure to perform; and (c) resume performance as promptly as possible.

**17.5 Relationship of the Parties.** The Parties to this Agreement are independent contractors, and nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, employment, franchise, agency or fiduciary relationship between the Parties.

**17.6 Amendment; Waiver.** Except as otherwise expressly provided in this Agreement, no amendment to this Agreement shall be effective unless made in writing and executed by an authorized representative of each Party. A Party's failure to exercise, or delay in exercising, any right, power, privilege or remedy under this Agreement shall not (a) operate as a waiver thereof or (b) operate as a waiver of any other right, power, privilege or remedy. A waiver will be effective only upon the written consent of the Party granting such waiver.

**17.7 Construction; Captions.** Each Party acknowledges that it participated in the negotiation and preparation of this Agreement and that it had the opportunity to consult with an attorney of its choice in connection therewith. Ambiguities, if any, in this Agreement shall not be construed against either Party, irrespective of which Party may be deemed to have drafted the Agreement or authorized the ambiguous provision. Capitalized terms defined in the singular shall include the plural and vice versa. The terms "includes" and "including" mean "includes, without limitation," and "including, without limitation," respectively. Titles, headings and other captions are for convenience only and shall not affect the meaning or interpretation of this Agreement.

**17.8 Severability.** If any of the provisions of this Agreement are held to be illegal, invalid or unenforceable, such illegal, invalid or unenforceable provisions shall be replaced by legal, valid and enforceable provisions that will achieve to the maximum extent possible the intent of the Parties, and the other provisions of this Agreement shall remain in full force and effect.

**17.9 Entire Agreement.** This Agreement, together with the Ancillary Agreements, contains the entire understanding between the Parties with respect to the subject matter hereof and thereof and supersedes and terminates all prior agreements, understandings and arrangements between the Parties with respect to such subject matter, whether written or oral.

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**17.10 Counterparts; Facsimiles.** This Agreement may be executed in two (2) or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A facsimile (including a PDF image delivered via email) of this Agreement, including the signature pages hereto, will be deemed to be an original. Notwithstanding the foregoing, the Parties shall deliver original execution copies of this Agreement to one another as soon as practicable following execution thereof.

*[Signature page follows]*

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives as set forth below.

**SYNDAX PHARMACEUTICALS, INC.**

**GENENTECH, INC.**

Signed: /s/ Michael Metzger

Signed: /s/ Mark Davis

Name: Michael Metzger

Name: Mark Davis

Title: President and COO

Title: Life Cycle Leader

*[Signature page to Combination Study Collaboration Agreement]*

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EXHIBIT A

PROTOCOL SUMMARY

*[Protocol summary begins on following page]*

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Exhibit A-1

\*\*\*

**\*\*\* INDICATES 16 PAGES OF MATERIAL THAT WERE OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

Exhibit A-2

## EXHIBIT B

## SAMPLE ANALYSIS PLAN

<u>Item</u> ***	<u>Priority</u> ***	<u>Sample Analyses to be Performed</u> ***	<u>Party to Perform Analysis</u> ***	<u>Timing for Sharing Sample Data</u> ***	<u>Ownership of Sample Data</u> ***
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\*\*\* INDICATES 3 PAGES OF MATERIAL THAT WERE OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Exhibit B-1

\*\*\*

Item  
\*\*\*

Sample Analyses to  
be Performed  
\*\*\*

Party to  
Perform  
Analysis  
\*\*\*

Timing for  
Sharing Sample  
Data  
\*\*\*

Ownership of  
Sample Data  
\*\*\*

NOTES:

- \*\*\*

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Exhibit B-2

EXHIBIT C

COMPOUND SUPPLY PLAN

**Schedule of Deliveries for the Genentech Compound (Atezolizumab)**

Following are estimates of the demand for the supply of Atezolizumab for the Study. The supply chain teams from Syndax and Genentech will meet regularly to review demand and supply requirements and adjust the delivery schedule to ensure continuous supply for the Study. The schedule below assumes \*\*\*.

The delivery dates below are based on the current expectation that the “first patient enrolled” will occur in \*\*\*.

<u>Estimated Delivery Date</u>	<u>Estimated Quantity of Vials</u>
***	***
<b>Total</b>	***

**Product Information**

\*\*\*

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## EXHIBIT D

## PRESS RELEASE

**SYNDAX ENTERS CLINICAL TRIAL COLLABORATION IN CANCER IMMUNOTHERAPY COMBINING ENTINOSTAT AND ATEZOLIZUMAB**

Phase 1b/2 trial with Genentech will assess the safety and efficacy of combining these investigational therapies for the treatment of triple-negative breast cancer

**WALTHAM, Mass., August XX, 2015** – Syndax Pharmaceuticals, Inc., a privately held biopharmaceutical company focused on developing therapies for the treatment of cancer, announced today that it has entered into a clinical collaboration with Genentech, a member of the Roche Group, to evaluate the safety, tolerability and preliminary efficacy of Syndax’s entinostat, an oral small molecule that targets immune regulatory cells (myeloid-derived suppressor cells (MDSCs) and regulatory T cells (Tregs)), in combination with Genentech’s atezolizumab (MPDL3280A), a fully humanized monoclonal antibody targeting protein programmed cell death ligand 1 (PD-L1), in patients with triple-negative breast cancer. Triple-negative breast cancer is estimated to account for 10-20% of all diagnosed breast cancers and is characterized by a lack of expression of estrogen receptor (ER-), progesterone receptor (PR-) and HER2 (HER2-) on the breast cancer cells.

“Clinical development collaborations with industry leaders are an essential element of our strategy to realize the full potential of entinostat and position Syndax at the forefront of next-generation immuno-oncology therapy,” said Briggs W. Morrison, M.D., Chief Executive Officer of Syndax. “This collaboration expands our emerging immuno-oncology program into an important new indication. We are looking forward to collaborating with Genentech to study atezolizumab and entinostat in a breast cancer population with few treatment options.”

Syndax will be responsible for conducting the Phase 1b/2 clinical trial in triple-negative breast cancer and the agreement includes a provision where the parties may extend the collaboration to include a Phase 3 clinical trial as well as additional trials in new indications of mutual interest.

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Exhibit D-1



**About Syndax Pharmaceuticals, Inc.**

Syndax is a clinical-stage biopharmaceutical company developing entinostat as a combination therapy for tumors that have shown sensitivity to immuno-oncology therapies, initially in non-small cell lung cancer, or NSCLC, melanoma and breast cancer. Entinostat is an oral small molecule that has direct effects on both cancer cells and immune regulatory cells, potentially enhancing anti-tumor immune responses. Entinostat is being evaluated in a Phase 1b/2 clinical trial for NSCLC and melanoma and in a Phase 3 clinical trial for advanced breast cancer. For more information on Syndax please visit [www.syndax.com](http://www.syndax.com).

# # #

**Contacts**

Investor and Media Relations:

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BCC Partners

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[kbergman@bccpartners.com](mailto:kbergman@bccpartners.com)

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BCC Partners

(617) 718-0276

[jlavin@bccpartners.com](mailto:jlavin@bccpartners.com)

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Exhibit D-2

**List of Subsidiaries**

<b>Name</b>	<b>Jurisdiction of Incorporation</b>
Syndax Securities Corporation	Massachusetts
Syndax Limited	United Kingdom

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the use in this Registration Statement on Form S-1 of our report dated August 24, 2015 relating to the consolidated financial statements of Syndax Pharmaceuticals, Inc. and subsidiaries, appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading “Experts” in such Prospectus.

/s/ Deloitte & Touche LLP  
Boston, Massachusetts  
January 4, 2016