**Confidential Draft Submission submitted to the Securities and Exchange Commission on March 17, 2017.
This draft registration statement has not been filed publicly with the Securities and Exchange Commission and all information contained herein remains confidential.**

Registration No. 333-

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

FORM S-1

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Mersana Therapeutics, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**2834**	**04-3562403**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

**840 Memorial Drive
Cambridge, MA 02139
(617) 498-0020**
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Anna Protopapas
President and Chief Executive Officer
Mersana Therapeutics, Inc.
840 Memorial Drive
Cambridge, MA 02139
(617) 498-0020**
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Marc A. Rubenstein	**Richard D. Truesdell, Jr.**
Ropes & Gray LLP	**Derek J. Dostal**
Prudential Tower	**Davis Polk & Wardwell LLP**
800 Boylston St.	**450 Lexington Avenue**
Boston, MA 02199	**New York, NY 10017**
(617) 951-7000	**(212) 450-4000**

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

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

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. o

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. o

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. o

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.

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company o

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price(1)(2)	Amount of registration fee(3)
Common stock, $0.0001 par value	$	$

(1) Includes shares which the underwriters have the right to purchase to cover over-allotments.

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) of the Securities Act of 1933, as amended.

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

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

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Subject to completion, dated March 17, 2017

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Prospectus

shares

Common stock

This is an initial public offering of shares of common stock of Mersana Therapeutics, Inc. All of the shares of common stock are being sold by the Company.

Prior to this offering, there has been no public market for the common stock. The estimated initial public offering price per share is between $ and $. We intend to apply to list our common stock on The NASDAQ Global Market under the symbol " ."

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

See "Risk factors" on page 11 to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per share	Total
Initial public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Proceeds to Mersana Therapeutics, Inc., before expenses	$	$

(1) We refer you to "Underwriting" beginning on page 152 of this prospectus for additional information regarding underwriting compensation.

To the extent that the underwriters sell more than shares of common stock, the underwriters have the option to purchase up to an additional shares from Mersana Therapeutics, Inc. at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares to investors on , 2017.

J.P. Morgan **Cowen and Company** **Leerink Partners**

Wedbush PacGrow

Prospectus dated , 2017.

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In this prospectus, "Mersana Therapeutics," "Mersana," the "Company," "we," "us" and "our" refer to Mersana Therapeutics, Inc. and its consolidated subsidiary. We and the underwriters have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

For investors outside of the United States: We have not, and the underwriters have not, done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than the United States. Persons outside of the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside of the United States.

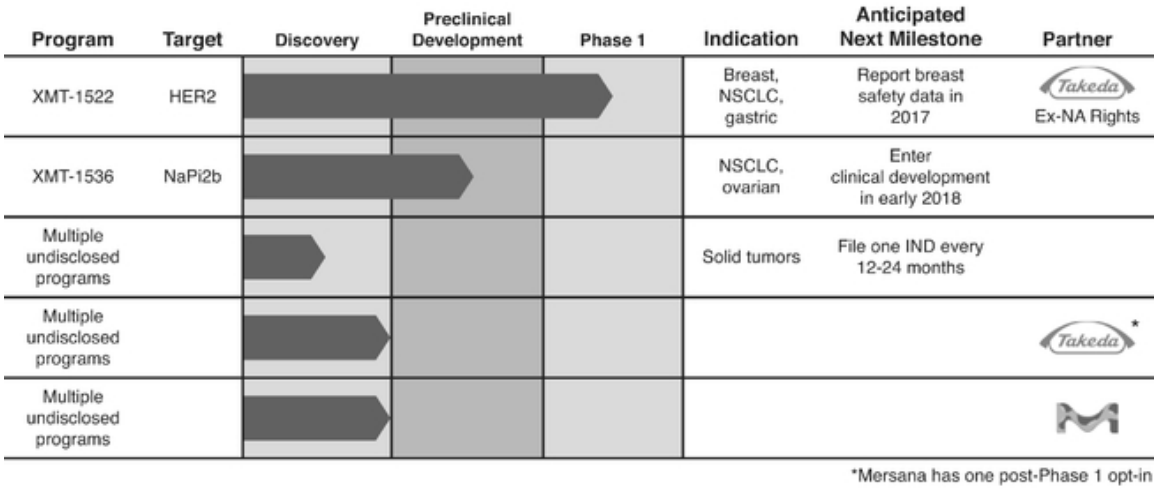
We own or have rights to trademarks, service marks and trade names that we use in connection with the operation of our business, including our corporate name, logos and website names. Other trademarks, service marks and trade names appearing in this prospectus are the property of their respective owners. The trademarks that we own include Mersana®. Solely for convenience, some of the trademarks, service marks and trade names referred to in this prospectus are listed without the ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights to our trademarks, service marks and trade names.

Prospectus summary

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should carefully read this entire prospectus, including our financial statements and the related notes included elsewhere in this prospectus. You should also consider, among other things, the matters described under "Risk factors" and "Management's discussion and analysis of financial condition and results of operations," in each case appearing elsewhere in this prospectus.

Overview

We are a clinical stage biopharmaceutical company focused on developing antibody drug conjugates, or ADCs, that offer a clinically meaningful benefit for cancer patients with significant unmet need. We have leveraged 20 years of industry learning in the ADC field to develop proprietary technologies that enable us to design ADCs to have improved efficacy, safety and tolerability relative to existing ADC therapies. Our most advanced platform, Dolaflexin, has been used to generate a pipeline of proprietary ADC product candidates to address patient populations that are not currently amenable to treatment with traditional ADC-based therapies. Our lead product candidate, XMT-1522, is a HER2-targeted ADC currently in a Phase 1 dose escalation study in breast cancer patients, with interim safety results expected by the end of 2017. Upon the completion of dose escalation, we plan to expand clinical development of XMT-1522 into additional breast cancer, non-small cell lung cancer, or NSCLC, and gastric cancer patient populations, all of which are not addressed by existing HER2 therapies. Our second product candidate, XMT-1536, is an ADC targeting NaPi2b, an antigen broadly expressed in ovarian cancer and NSCLC. We expect XMT-1536 to enter clinical development in early 2018. Our current product candidates, all based on our Dolaflexin platform, are summarized in the chart below:



Beyond our two lead product candidates, we continue to invest in our earlier stage product candidates and in our ADC technologies. In addition, we have established a strategic partnership with Takeda Pharmaceutical Company Limited, or Takeda, under which they obtained rights to XMT-1522 outside of the United States and Canada. We have also established strategic research and development partnerships with Takeda and Merck KGaA for the development and commercialization of additional ADC product candidates against a limited number of targets selected by our partners based on our Dolaflexin platform. We believe

the potential of our ADC technologies, supported by our world-class management team and protected by our robust intellectual property portfolio, will allow us to develop targeted and highly tailored therapies to help a broader range of cancer patients become cancer survivors.

ADCs are an established therapeutic approach in oncology used to selectively deliver a highly potent chemotherapeutic payload directly to tumors thereby minimizing toxicity to surrounding healthy tissue. Upon binding to the tumor cell antigen, the ADC is internalized by the tumor cell and the payload is released, killing the cell in a targeted manner. Currently, there are two approved and broadly available ADCs which achieved combined worldwide net sales in excess of $1 billion in 2016. There are also approximately 60 ADCs presently in development in over 300 clinical studies, the vast majority of which are focused on the treatment of cancer. We believe the commercial success of previously approved ADCs, combined with the number of ADCs currently in clinical development, demonstrates the potential of ADCs to become a mainstay of cancer treatment.

Despite the promise of ADCs, the challenge of optimizing the balance between efficacy and tolerability, or therapeutic index, has limited their suitability as treatments for cancer more broadly. Our proprietary and highly differentiated Dolaflexin platform is designed to overcome such challenges. Unlike traditional ADCs, where the payload is attached directly to the antibody via a linker, our ADCs feature antibodies attached to multiple units of Dolaflexin, which each consist of our Fleximer polymer scaffold conjugated to several proprietary auristatin payload molecules. As a result, we believe our ADCs offer the following benefits relative to traditional ADCs:

- **Improved linker stability:** Fleximer is a biodegradable, highly biocompatible and highly water soluble polymer scaffold which stabilizes the ADC linker and payload in circulation.
- **Higher drug-to-antibody ratio:** Our ADCs have a drug-to-antibody ratio, or DAR, of 12 to 15 while maintaining acceptable pharmacokinetics and drug-like properties in animal models. This represents a three- to four-fold improvement over traditional ADCs using direct conjugation, which has translated into a significant increase in efficacy relative to traditional ADCs administered at comparable or even higher dose levels.
- **Expanded range of addressable target antigen expression levels:** As a result of higher DAR, our ADCs can deliver more payload to the tumor cell per antibody binding and internalization event. Our lead product candidates, XMT-1522 and XMT-1536, have demonstrated efficacy in animal models of low antigen-expressing tumors where alternative ADC platforms have shown either weak or no efficacy.
- **Controlled bystander effect:** Our auristatin payload features a proprietary pharmacology that promotes potent cell killing upon initial release from the ADC, while preserving its ability to kill surrounding tumor cells through the bystander effect. Payload metabolites, however, do not have this ability and become trapped in the tumor cell, which allows us to capture the benefits of the bystander effect while minimizing potential toxicities to healthy tissue.

We have assembled a management team with extensive, relevant experience, including specific ADC experience, at leading pharmaceutical companies such as Millennium Pharmaceuticals, Inc., Takeda, Sanofi S.A., Merck & Co., Inc., Biogen, Inc., MedImmune, Inc. and Bayer AG. We are supported by our board of directors and scientific advisory board, who offer complementary experience in drug discovery and development, as well as expertise in building public companies, management and business development. Our key investors include funds managed by New Enterprise Associates, Arrowpoint Partners, Cormorant Asset Management, F-Prime Capital Partners, Rock Springs Capital and Wellington Management, as well as Pfizer and our strategic partner, Takeda. We believe that our highly differentiated platform, together with

the team we have assembled, positions us well to generate best-in-class ADCs with the potential to transform the lives of cancer patients.

Our product candidates

XMT-1522: our HER2-targeted ADC

Our lead product candidate, XMT-1522, is a Dolaflexin ADC targeting HER2-expressing tumors. HER2 belongs to a family of signaling molecules that are highly and preferentially expressed on the surface of various cancer cells, and are known to play a role in promoting tumor cell growth. Currently approved HER2-targeted therapies are indicated only for patients who express HER2 at high levels, and who are referred to as HER2-positive, however there is a significantly larger population of patients with low-to-moderate HER2 expression who have more limited treatment options. We are focused on leveraging the properties of XMT-1522 for HER2-expressing patient populations where existing approved HER2 therapies are either not indicated or have failed. XMT-1522 is currently in a Phase 1 dose escalation study, for which we are actively recruiting and dosing breast cancer patients with a HER2 score of 1+ or greater. We expect to report interim safety results from this study by the end of 2017. Upon the completion of dose escalation, we plan to expand clinical development of XMT-1522 into additional breast cancer, NSCLC, and gastric cancer patient populations.

Our development plan for XMT-1522 is supported by extensive preclinical data in animal models that represent diverse levels of HER2 expression across multiple tumor types. Our data demonstrate that XMT-1522, administered as a single dose or in three weekly doses, leads to complete tumor regressions in 11 out of 15 models tested. Tumor regressions were shown to be durable in 10 out of 11 animals 45 days post-dosing. Furthermore, XMT-1522 also demonstrated improved efficacy relative to traditional ADCs, even in tumor models where the target antigen is expressed at moderate to low levels, and showed the potential to be used in combination with other HER2-targeted agents as well as checkpoint inhibitors. We have established that XMT-1522 is stable in circulation, has predictable pharmacokinetics and an acceptable safety profile.

XMT-1536: our NaPi2b-targeted ADC

Our second product candidate, XMT-1536, is a Dolaflexin ADC targeting NaPi2b-expressing tumors. NaPi2b is an antigen highly expressed in 60 to 90% of both non-squamous NSCLC and epithelial ovarian cancer. Data from earlier clinical studies conducted by Genentech, Inc., or Genentech, with lifastuzumab vedotin, another NaPi2b targeting ADC, provide partial validation of NaPi2b as a target in these indications and form the basis of our rationale to advance XMT-1536 as a potentially clinically meaningful ADC for the treatment of these diseases. XMT-1536 is currently in Investigational New Drug Application, or IND, enabling studies, and we expect it to enter clinical development in early 2018.

In our preclinical studies, XMT-1536 induced complete tumor regressions in an ovarian cancer model and an adenocarcinoma model after three weekly doses of 3 mg/kg. In comparison, lifastuzumab vedotin failed to induce tumor regressions when similarly administered in three weekly doses of 3 mg/kg, and was associated with dose-limiting neutropenia in monkeys at doses above this level. XMT-1536 was also tested in eight patient-derived tumor models of NSCLC adenocarcinoma, where it led to complete or near-complete tumor regressions in five of eight models, and significant tumor growth delay in two of the remaining three models. These tumor regressions were durable 45 days post-dosing. In an exploratory repeat dose non-human primate study of XMT-1536, no neutropenia was observed at payload doses that were at least four times the maximum tolerated dose of lifastuzumab vedotin and at least two times the dose that caused fatal neutropenia with lifastuzumab vedotin.

Platform development

We intend to establish a leading position in the field of ADCs by continuing to advance platform innovations that further broaden the potential of our ADCs to deliver clinically meaningful benefit for cancer patients. Our areas of focus include the development of alternative scaffolds to drive homogeneity of our ADCs, alternative payloads to address additional indications and drug resistance and alternative targeting moieties to improve tumor penetration and biodistributuion. We believe these efforts may lead to improved efficacy and tolerability of our ADCs, as well as expansion of the addressable patient population.

Our strategic partnerships with Takeda

In January 2016, we entered into a collaboration agreement with Takeda for the development and commercialization of XMT-1522. Under this agreement, Takeda obtained exclusive rights to XMT-1522 outside of the United States and Canada. To date, we have received upfront and milestone payments totaling $46.5 million, and may receive future development, regulatory and commercial milestones as well as tiered royalties on net sales of XMT-1522 in Takeda's territory.

In March 2014, we entered into a collaboration agreement with Takeda for the development and commercialization of ADC product candidates utilizing Fleximer. In January 2016, we amended this agreement to expand the partnership and received an additional $13.5 million. Under this agreement, Takeda may select up to seven target antigens for which they are responsible for generating antibodies for us to conjugate with Fleximer and our proprietary payloads to create the ADC product candidates. Takeda has the exclusive rights to, and is responsible for, the further development, manufacture and commercialization of these ADC product candidates. Under certain circumstances, we have the option to co-develop and co-commercialize one of these products in the United States. The most advanced product candidates in this partnership are in the lead optimization stage. See "Business—Strategic partnerships."

Our strategy

Our goal is to become a leading oncology company by leveraging the potential of our innovative and differentiated ADC technologies. Our strategy to achieve this goal is based on:

- rapidly advancing the clinical development of XMT-1522;
- moving XMT-1536 into clinical development and building a pipeline of ADCs that address the significant unmet medical needs of cancer patients;
- expanding our ADC technology platform capabilities;
- evaluating strategic partnerships to maximize the value of our programs and platforms; and
- attracting and retaining people that share our commitment to scientific excellence and patient care.

Risks associated with our business

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

- We have incurred net losses since our inception, we have no products approved for commercial sale and anticipate that we will continue to incur substantial operating losses for the foreseeable future. We may never achieve or sustain profitability.

- We will require substantial additional financing to achieve our goals, and a failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development or commercialization efforts.
- Clinical failure may occur at any stage of clinical development, and, because our product candidates are in an early stage of development, there is a relatively higher risk of failure and we may never succeed in developing marketable products or generating product revenue.
- We rely on existing strategic partnerships for the development of certain of our drug candidates, including our lead ADC product candidate, XMT-1522. If our strategic partners do not devote sufficient resources to the development of these ADC product candidates, are unsuccessful in their efforts or chose to terminate their agreements with us, our business will be materially harmed.
- We rely on third parties to manufacture our drug candidates and to conduct clinical trials for our ADC product candidates. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our ADC product candidates and our business could be substantially harmed.
- Our future commercial success depends upon attaining significant market acceptance of our ADC product candidates, if approved, among physicians, patients and health care payors.
- We face substantial competition, which may result in others discovering, developing or commercializing products before, or more successfully, than we do.
- If we are unable to obtain or protect intellectual property rights related to our technology and ADC product candidates, or if our intellectual property rights are inadequate, we may not be able to compete effectively.
- If we fail to attract and keep senior management and key scientific personnel, we may be unable to successfully develop our ADC product candidates, conduct our clinical studies and commercialize our ADC product candidates.

Implications of being an emerging growth company

As a company with less than $1.0 billion in revenue during our most recently completed fiscal year, we qualify as an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended, or the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable, in general, to public companies that are not emerging growth companies. These provisions include:

- reduced disclosure about our executive compensation arrangements;
- no non-binding stockholder advisory votes on executive compensation;
- exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting; and
- reduced disclosure of financial information in this prospectus, including only two years of audited financial information and two years of selected financial information.

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than $1.0 billion in annual revenues as of the end of any fiscal year, if we are deemed to be a large accelerated filer under the rules of the Securities and Exchange Commission, or SEC, or if we issue more than $1.0 billion of non-convertible debt over a three-year period.

The JOBS Act permits an emerging growth company to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We are choosing to "opt out" of this provision, and this decision is irrevocable.

Corporate history and information

We were incorporated in Delaware in February 2002 under the name Nanopharma Corp. In November 2005, we changed our name to Mersana Therapeutics, Inc. In 2012, we recapitalized the Company and focused our efforts exclusively on ADCs. Our principal executive offices are located at 840 Memorial Drive, Cambridge, Massachusetts 02139, and our telephone number is (617) 498-0020. Our website address is http://www.mersana.com. The information contained in, or that can be accessed through, our website is not part of this prospectus.

The offering

Common stock offered by us	shares
Common stock to be outstanding after this offering	shares
Option to purchase additional shares	The underwriters have an option for a period of 30 days to purchase up to additional shares of our common stock.
Use of proceeds	We estimate that we will receive net proceeds from this offering of approximately $, or approximately $ million if the underwriters exercise their option to purchase additional shares in full, based on an assumed initial public offering price of $ per share (the midpoint of the range set forth on the cover of this prospectus), after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering as follows: (1) approximately $ to $ to fund our Phase 1 clinical trials for XMT-1522; (2) approximately $ to $ to fund our preclinical activities and Phase 1 clinical trial for XMT-1536; (3) approximately $ million to fund new and ongoing research activities including for our ADC platform with the goal of delivering one IND annually on average; and (4) the balance for working capital and other general corporate purposes. See "Use of proceeds" for additional information.
Risk factors	You should read carefully the "Risk factors" beginning on page 11 and other information included in this prospectus for a discussion of factors that you should consider before deciding to invest in shares of our common stock.
Proposed NASDAQ Global Market symbol	" ."

The number of shares of common stock to be outstanding after this offering is based on 78,520,836 shares of common stock outstanding as of December 31, 2016 and excludes the following:

- 13,059,376 shares of common stock issuable upon the exercise of outstanding stock options as of December 31, 2016 having a weighted-average exercise price of $0.49 per share;
- 582,725 shares of common stock issuable upon the exercise of outstanding warrants as of December 31, 2016 having an exercise price of $0.01 per share;
- 2,309,526 shares of common stock reserved for future issuance under our 2007 Stock Incentive Plan as of December 31, 2016;
- shares of common stock reserved for future issuance under our 2017 Stock Option and Incentive Plan, or 2017 Stock Option Plan, which will become effective upon the completion of this offering; and

- shares of common stock reserved for future issuance under our 2017 Employee Stock Purchase Plan, or 2017 ESPP, which will become effective upon the completion of this offering.

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

- the automatic conversion of all of our outstanding shares of convertible preferred stock into an aggregate of 72,696,134 shares of common stock upon the completion of this offering;
- no exercise of the outstanding options or warrants described above after December 31, 2016;
- no exercise by the underwriters of their option purchase up to an additional shares of our common stock in this offering;
- the adoption of our amended and restated certificate of incorporation and amended and restated by-laws, both of which we will file immediately prior to the completion of this offering; and
- a one-for- reverse stock split of our common stock effected on , 2017.

Summary financial data

You should read the following summary financial data together with our financial statements and the related notes appearing elsewhere in this prospectus and the information under the headings "Selected financial data" and "Management's discussion and analysis of financial condition and results of operations." We have derived the statement of operations data for the years ended December 31, 2015 and 2016 and the balance sheet data as of December 31, 2016 from our audited financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of results that should be expected in the future. The summary financial data in this section are not intended to replace our audited financial statements and related notes included elsewhere in this prospectus.

	Year ended December 31,	
	2015	2016
	(in thousands, except per share data)	
Statements of Operations Data:		
Collaboration revenue	$ 10,359	$ 25,171
Operating expenses:		
Research and development	21,353	$ 32,008
General and administrative	5,347	6,984
Total operating expenses	26,700	$ 38,992
Other income (expense):		
Other income (expense), net	(87)	121
Total other income (expense)	(87)	121
Net loss	$ (16,428)	$ (13,700)
Net loss attributable to common stockholders	$ (16,428)	$ (13,700)
Net loss per share applicable to common stockholders—basic and diluted(1)	$ (2.98)	$ (2.40)
Weighted-average number of common shares used in net loss per share attributable to common stockholders—basic and diluted(1)	5,505,652	5,700,513
Pro forma net loss per share attributable to common stockholders—basic and diluted (unaudited)(2)		$ (0.22)
Pro forma weighted average number of common shares used in net loss per share attributable to common stockholders—basic and diluted (unaudited)(2)		61,135,049

	As of December 31, 2016		
	Actual	Pro forma(2)	Pro forma as adjusted(3)
			(in thousands)
Balance Sheet Data:			
Cash and cash equivalents	$ 100,297	$ 100,297	$ —
Working capital(4)	73,787	73,787	—
Total assets	105,087	105,087	—
Convertible preferred stock	94,450	—	—
Total stockholders' (deficit) equity	(55,619)	38,831	—

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

(2) Pro forma statements of operations data and balance sheet data give effect to the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of 72,696,134 shares of our common stock upon the completion of this offering.

(3) Pro forma as adjusted to reflect the pro forma adjustments described in (2) above, and to further reflect the sale of shares of our common stock offered in this offering, after deducting the estimated 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 range set forth on the cover page of this prospectus. Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the range set forth on the cover page of this prospectus, would increase (decrease) each of Pro forma as adjusted Cash and cash equivalents, Working capital, Total assets and Total stockholders' (deficit) 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. We may also increase or decrease the number of shares we are offering. An increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) each of Pro forma as adjusted Cash and cash equivalents, Working capital, Total assets and Total stockholders' (deficit) equity by approximately $ million, assuming the assumed initial public offering price per share, as set forth on the cover page of this prospectus, remains the same

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

Risk factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below together with all of the other information contained in this prospectus, including our financial statements and related notes appearing at the end of this prospectus, before deciding to invest in our common stock. If any of the events or developments described below were to occur, our business, prospects, operating results and financial condition could suffer materially, the trading price of our common stock could decline and you could lose all or part of your investment. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business.

Risks related to our financial position and need for additional capital

We have incurred net losses since our inception, we have no products approved for commercial sale and anticipate that we will continue to incur substantial operating losses for the foreseeable future. We may never achieve or sustain profitability.

We have incurred net losses since our inception. Our net loss was $13.7 million for the year ended December 31, 2016. As of December 31, 2016, we had an accumulated deficit of $59.2 million. We do not know when or whether we will become profitable. To date, we have not commercialized any products and therefore have never generated any revenues from the sale of products, and we do not expect to generate any product revenues in the foreseeable future. Our losses have resulted principally from costs incurred in our discovery and development activities. Our net losses may fluctuate significantly from quarter to quarter and year to year.

We have devoted most of our financial resources to research and development, including our clinical and preclinical development activities. To date, we have financed our operations primarily through the sale of equity securities and the receipt of funds through strategic partnerships with third parties. The amount of our future net losses will depend, in part, on the rate of our future expenditures. We have not completed pivotal clinical studies for any product candidate and only have one product candidate in clinical studies. It will be several years, if ever, before we have a product candidate ready for commercialization. Even if we obtain regulatory approval to market a product candidate, our future revenues would depend upon the size of the market or markets in which our product candidates received such approval and our ability to achieve sufficient market acceptance, reimbursement from third-party payors and adequate market share for our product candidates in those markets.

We expect to continue to incur significant expenses and increasing net losses for at least the next several years. We expect our expenses will increase substantially in connection with our ongoing activities, as we:

- conduct clinical development of XMT-1522, including our Phase 1 clinical study;
- conduct preclinical studies of XMT-1536 to support an IND filing, Phase 1 clinical studies and potential future clinical development of XMT-1536;
- seek regulatory approval for XMT-1522 and XMT-1536;
- add personnel to support our product development efforts;
- continue our research and development efforts for new product opportunities; and

- operate as a public company.

If we are required by the FDA or any equivalent foreign regulatory authority to perform clinical studies or studies in addition to those we currently expect to conduct, or if there are any delays in completing the clinical studies of XMT-1522 or, if preclinical studies are successful, filing an IND and completing clinical studies for XMT-1536, our expenses could increase.

To become and remain profitable, we must succeed in developing our ADC product candidates, obtaining regulatory approval for them, and manufacturing, marketing and selling those products for which we may obtain regulatory approval. We may not succeed in these activities, and we may never generate revenue from product sales or strategic partnerships in an amount sufficient to achieve profitability. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. Our failure to become or remain profitable would depress our market value and could impair our ability to raise capital, expand our business, discover or develop other ADC product candidates or continue our operations. A decline in the value of our company could cause you to lose all or part of your investment.

We will require substantial additional financing to achieve our goals, and a failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development or commercialization efforts.

Our cash and cash equivalents were $100.3 million as of December 31, 2016. We have utilized substantial amounts of cash since our inception and expect that we will continue to expend substantial resources for the foreseeable future developing XMT-1522, XMT-1536 and any future ADC product candidates. These expenditures may include costs associated with research and development, conducting preclinical studies and clinical studies, potentially obtaining regulatory approvals and manufacturing products, as well as marketing and selling products approved for sale, if any, and potentially acquiring new technologies. In addition, other unanticipated costs may arise. Because the outcome of our planned and anticipated clinical studies is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of our ADC product candidates. Our costs will increase if we experience any delays in our clinical studies for XMT-1522 and anticipated clinical studies for XMT-1536, including delays in enrollment of patients. Upon the closing of this offering, we expect to incur additional costs associated with operating as a public company, hiring additional personnel and expanding our facilities.

Our future capital requirements depend on many factors, including:

- the scope, progress, results and costs of researching and developing XMT-1522 and XMT-1536 and any other potential ADC product candidates and conducting preclinical studies and clinical studies;
- the timing of, and the costs involved in, obtaining regulatory approvals for XMT-1522 and XMT-1536 and any other potential ADC product candidates if preclinical studies and clinical studies are successful;
- the cost of manufacturing XMT-1522 and XMT-1536 and any other potential ADC product candidates for clinical studies in preparation for regulatory approval and in preparation for commercialization;
- the cost of commercialization activities for XMT-1522 and XMT-1536 and any other potential ADC product candidates, if any ADC product candidates are approved for sale, including marketing, sales and distribution costs;
- our ability to establish and maintain strategic partnerships, licensing or other arrangements and the financial terms of such agreements;

- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims, including litigation costs and the outcome of such litigation; and

- the timing, receipt and amount of sales of, or royalties on, our future products, if any, or products developed by our partners.

Based on our current operating plan, we estimate that the net proceeds we receive from this offering, together with our existing cash and cash equivalents, will be sufficient to fund our projected operating requirements through at least the next months and to fund our Phase 1 clinical studies for XMT-1522 and XMT-1536. Our operating plan, however, may change as a result of many factors currently unknown to us and we may need additional funds sooner than planned. Additional funds may not be available when we need them on terms that are acceptable to us, or at all. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, reduce or terminate preclinical studies, clinical studies or other development activities for one or more of our ADC product candidates or delay, limit, reduce or terminate our establishment of sales and marketing capabilities or other activities that may be necessary to commercialize our ADC product candidates. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans.

Raising additional capital may cause dilution to our existing stockholders, restrict our operations or require us to relinquish rights to our technologies or ADC product candidates on unfavorable terms to us.

We may seek additional capital through a variety of means, including through private and public equity offerings and debt financings. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of such equity or convertible debt securities may include liquidation or other preferences that are senior to or otherwise adversely affect your rights as a stockholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take certain actions, such as incurring additional debt, making capital expenditures, declaring dividends or encumbering our assets to secure future indebtedness, each of which could adversely impact our ability to conduct our business and execute our operating plan. If we raise additional funds through strategic partnerships with third parties, we may have to relinquish valuable rights to our technologies, including our ADC platforms, or ADC product candidates, or grant licenses on terms that are not favorable to us. If we are unable to raise additional funds through equity or debt financing when needed, we may be required to delay, limit, reduce or terminate our product development or commercialization efforts for XMT-1522, XMT-1536 or any other ADC product candidate, or grant rights to develop and market ADC product candidates that we would otherwise prefer to develop and market ourselves.

We may expend our resources to pursue a particular product candidate and fail to capitalize on product candidates that may be more profitable or for which there is a greater likelihood of success.

Because we have limited financial and managerial resources, we focus on specific product candidates. As a result, we may forgo or delay pursuit of opportunities with other product candidates that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Failure to properly assess potential product candidates could result in our focus on product candidates with low market potential, which would harm our business and financial condition. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable product

candidates. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through partnering, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

Risks related to development and approval of our ADC product candidates

Clinical failure may occur at any stage of clinical development, and, because our product candidates are in an early stage of development, there is a relatively higher risk of failure and we may never succeed in developing marketable products or generating product revenue.

Our early encouraging preclinical results for XMT-1522 and XMT-1536 are not necessarily predictive of the results of our ongoing or future clinical studies. Promising results in preclinical studies of a drug candidate may not be predictive of similar results in later-stage preclinical studies or in humans during clinical studies. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical studies after achieving positive results in early-stage development, including early-stage clinical studies, and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical studies were underway or safety or efficacy observations made in preclinical studies and clinical studies, including previously unreported adverse events.

Any clinical studies that we may conduct may not demonstrate the efficacy and safety necessary to obtain regulatory approval to market our product candidates. If the results of our ongoing or future clinical studies are inconclusive with respect to the efficacy of our ADC product candidates or if we do not meet the clinical endpoints with statistical significance or if there are safety concerns or adverse events associated with our ADC product candidates, we may be prevented or delayed in obtaining marketing approval for our ADC product candidates. There can be significant variability in safety or efficacy results between different clinical studies of the same product candidate due to numerous factors, including changes in study procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the clinical study protocols and the rate of dropout among clinical study participants. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical studies nonetheless failed to obtain FDA approval.

Alternatively, even if we obtain regulatory approval, that approval may be for indications or patient populations that are not as broad as intended or desired or may require labeling that includes significant use or distribution restrictions or safety warnings. We may also be required to perform additional or unanticipated clinical studies to obtain approval or be subject to additional post-marketing testing requirements to maintain regulatory approval. In addition, regulatory authorities may withdraw their approval of a product or impose restrictions on its distribution, such as in the form of a modified Risk Evaluation and Mitigation Strategy, or REMS. The failure to obtain timely regulatory approval of product candidates, any product marketing limitations or a product withdrawal would negatively impact our business, results of operations and financial condition.

We currently have only one ADC product candidate, XMT-1522, in clinical studies. A failure of this product candidate in clinical development would adversely affect our business and may require us to discontinue development of other ADC product candidates based on the same technology.

XMT-1522 is our only clinical-stage development product candidate. While we have certain preclinical programs in development, including XMT-1536, and intend to develop other product candidates, it will take additional investment and time for such programs to reach the same stage of development as XMT-1522. Since all of the product candidates in our current pipeline are ADC product candidate based on the same ADC platform, if XMT-1522 fails in development as a result of any underlying problem with our ADC platform, then we may be required to discontinue development of all ADC product candidates that are based on the same technology. If we were required to discontinue development of XMT-1522 or if XMT-1522 were to fail to receive regulatory approval or were to fail to achieve sufficient market acceptance, we could be prevented from or significantly delayed in achieving profitability.

Delays in the commencement, enrollment or completion of clinical studies of our ADC product candidates could result in increased costs to us as well as a delay or failure in obtaining regulatory approval, or prevent us from commercializing our ADC product candidates on a timely basis, or at all.

We cannot guarantee that clinical studies, including our ongoing Phase 1 clinical study for XMT-1522 and anticipated additional clinical studies for XMT-1522 and XMT-1536, will be conducted as planned or completed on schedule, if at all. A failure of one or more clinical studies can occur at any stage of testing. Events that may prevent successful or timely commencement, enrollment or completion of clinical development include, among others:

- delays by us in reaching a consensus with regulatory agencies on study design;
- delays in reaching, or failing to reach, agreement on acceptable terms with prospective clinical research organizations, or CROs, and clinical study sites;
- difficulties in obtaining required Institutional Review Board, or IRB, approval at each clinical study site;
- challenges in recruiting and enrolling suitable patients to participate in clinical studies that meet the criteria of the protocol for the clinical study;
- imposition of a clinical hold by regulatory agencies or IRBs for any reason, including safety concerns or after an inspection of clinical operations or study sites;
- failure by CROs, other third parties or us to adhere to clinical study requirements;
- failure to perform in accordance with the FDA's good clinical practices, or GCP, or applicable regulatory guidelines in other countries;
- inadequate quantity or quality of a product candidate or other materials necessary to conduct clinical studies, including, for example, delays in the testing, validation, manufacturing and delivery of the ADC product candidates to the clinical sites;
- patients not completing participation in a study or not returning for post-treatment follow-up;
- clinical study sites or patients dropping out of a study;

- safety issues, including occurrence of serious adverse events, or SAEs, in clinical studies that are associated with the ADC product candidates that are viewed to outweigh its potential benefits or unforeseen safety issues in our ongoing preclinical studies;
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols; or
- lack of adequate funding to continue the clinical study.

Delays, including delays caused by the above factors, can be costly and could negatively affect our ability to complete a clinical study. If we or our partners are not able to successfully complete clinical studies, we or they will not be able to obtain regulatory approval and will not be able to commercialize our ADC product candidates or our partners' ADC product candidates based on our technology.

An inability to enroll sufficient numbers of patients in our clinical studies could result in increased costs and longer development periods for our product candidates.

Clinical studies require sufficient patient enrollment, which is a function of many factors, including:

- the size and nature of the patient population;
- the severity of the disease under investigation;
- the nature and complexity of the study protocol, including eligibility criteria for the study;
- the number of clinical study sites and the proximity of patients to those sites;
- standard of care in the diseases under investigation;
- the commitment of clinical investigators to identify eligible patients;
- competing studies or trials; and
- clinicians' and patients' perceptions as to the potential advantages and risks of the drug being studied in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating.

Challenges in recruiting and enrolling suitable patients to participate in clinical studies that meet the criteria of the protocol for clinical studies could increase costs and result in delays to our current development plan for XMT-1522, XMT-1536 or any other future ADC product candidate.

Clinical development, regulatory review and approval of the FDA and comparable foreign authorities are lengthy, time consuming and inherently unpredictable. If we or our partners are ultimately unable to obtain regulatory approval for our product candidates, our business will be substantially harmed.

The preclinical studies and clinical studies of our product candidates are, and the manufacturing and marketing of our product candidates will be, subject to extensive and rigorous review and regulation by numerous government authorities in the United States and in other countries where we intend to test and, if approved, market any such product candidate. These government regulations relate to, among other things, development, clinical studies, manufacturing and commercialization. In order to obtain regulatory approval for the commercial sale of any ADC product candidates, we or our partners must demonstrate through extensive preclinical studies and clinical studies that the ADC product candidate is safe and effective for use in each target indication.

The time required to obtain approval by the FDA and comparable foreign authorities is unpredictable, typically takes many years following the commencement of clinical studies and depends upon numerous factors. Of the large number of drugs in development in the United States, only a small percentage will successfully complete the FDA regulatory approval process and will be commercialized. Accordingly, even if we are able to obtain the requisite financing to continue to fund our development and preclinical studies and clinical studies, we cannot assure you that any of our product candidates will be successfully developed or commercialized.

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, which may cause delays in the approval or the decision not to approve an application. Regulatory approval has not been obtained for any product candidate based on our ADC technology, and it is possible that none of our existing product candidates or any product candidates we may seek to develop in the future will ever obtain regulatory approval. In addition, we may gain regulatory approval for XMT-1522, XMT-1536 or any other ADC product candidate in some but not all of the territories for which we seek approval or some but not all of the target indications, resulting in limited commercial opportunity for the approved ADC product candidates.

Applications for our or our partners' product candidates could be delayed or could fail to receive regulatory approval for many reasons, including but not limited to the following:

- the FDA or comparable foreign regulatory authorities may disagree with the number, design or implementation of our clinical studies;
- the population studied in the clinical program may not be sufficiently broad or representative to assure safety in the full population for which we seek approval;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical studies;
- the data collected from clinical studies of our product candidates may not meet the level of statistical or clinical significance required by the FDA or comparable foreign regulatory authorities for marketing approval or may otherwise not be sufficient to support the submission of a new drug application, or NDA, or biologics license application, or BLA, or other submission or to obtain regulatory approval in the United States or elsewhere;
- the FDA may not accept data generated at our preclinical studies and clinical study sites;
- the FDA may require us to conduct additional preclinical studies and clinical studies;
- we may be unable to demonstrate to the FDA or comparable foreign regulatory authorities that a product candidate's risk-benefit ratio for its proposed indication is acceptable;
- the FDA or comparable foreign regulatory authorities may fail to approve the manufacturing processes, test procedures and specifications or facilities of third-party manufacturers with which we contract for clinical and commercial supplies;
- we or any third-party service providers may be unable to demonstrate compliance with current Good Manufacturing Practices, or cGMPs, to the satisfaction of the FDA or comparable foreign regulatory authorities which could result in delays in regulatory approval or require us to withdraw or recall products and interrupt commercial supply of our products; or

- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

Any of these factors, many of which are beyond our control, may result in our failing to obtain regulatory approval to market any of our product candidates, which would significantly harm our business, results of operations and prospects.

If we fail to obtain regulatory approval in jurisdictions outside the United States, we will not be able to market our products in those jurisdictions.

We intend to market our ADC product candidates, including XMT-1522 and XMT-1536, if approved, in international markets either directly or through partnerships. We have entered into an agreement with Takeda to commercialize XMT-1522 outside of the United States and Canada. Such marketing will require separate regulatory approvals in each market and compliance with numerous and varying regulatory requirements. The approval procedures vary from country to country and may require additional testing that we are not required to perform to obtain regulatory approval in the United States. Moreover, the time required to obtain approval may differ from that required to obtain FDA approval. In addition, in many countries outside the United States, an ADC drug must be approved for reimbursement before it can be approved for sale in that country. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one foreign regulatory authority does not ensure approval by regulatory authorities in other foreign countries or by the FDA. The foreign regulatory approval process may include all of the risks associated with obtaining FDA approval. We or our partners may not obtain foreign regulatory approvals on a timely basis, if at all. We or our partners may not be able to file for regulatory approvals and may not receive necessary approvals to commercialize our products in any market. If we or any existing or future partner are unable to obtain regulatory approval for XMT-1522 or XMT-1536 in one or more significant foreign jurisdictions, then the commercial opportunity for XMT-1522 or XMT-1536, as applicable, and our financial condition, will be adversely affected.

Even if we receive regulatory approval for our ADC product candidates, such products will be subject to ongoing regulatory review, which may result in significant additional expense. Additionally, our ADC product candidates, if approved, could be subject to labeling and other restrictions, and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products.

Any regulatory approvals that we receive for our ADC product candidates may also be subject to limitations on the approved indicated uses for which the product may be marketed or to conditions of approval, or contain requirements for potentially costly post-marketing testing and surveillance to monitor safety and efficacy. In addition, if the FDA approves any of our ADC product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the product will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with current good manufacturing practice and GCP, for any clinical studies that we conduct post-approval.

Later discovery of previously unknown problems with an approved ADC drug, including adverse events of unanticipated severity or frequency, or with manufacturing operations or processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market or voluntary or mandatory product recalls;

- fines, warning letters or holds on clinical studies;
- refusal by the FDA to approve pending applications or supplements to approved applications filed by us, or suspension or revocation of product license approvals;
- product seizure or detention, or refusal to permit the import or export of products; and
- injunctions or the imposition of civil or criminal penalties.

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

Our ADC product candidates or ADCs developed or commercialized by our competitors may cause undesirable side effects or have other properties that delay or prevent regulatory approval of our ADC product candidates or limit their commercial potential.

Undesirable side effects caused by our ADC product candidates or ADCs being developed or commercialized by our competitors could cause us or regulatory authorities to interrupt, delay or halt clinical studies and could result in a more restrictive label or the denial of regulatory approval by the FDA or other regulatory authorities and potential product liability claims. Further, clinical studies by their nature utilize a sample of the potential patient population. With a limited number of subjects and limited duration of exposure, rare and severe side effects of our product candidates or those of our competitors may only be uncovered with a significantly larger number of patients exposed to the drug. SAEs deemed to be caused by our ADC product candidates or those of our competitors, either before or after receipt of marketing approval, could have a material adverse effect on the development of our ADC product candidates and our business as a whole.

If we or others identify undesirable side effects caused by our ADC product candidates or those of our competitors either before or after receipt of marketing approval, a number of potentially significant negative consequences could result, including:

- our clinical studies may be put on hold;
- we may be unable to obtain regulatory approval for our ADC product candidates;
- regulatory authorities may withdraw or limit their approvals of our ADC product candidates;
- regulatory authorities may require the addition of labeling statements, such as a contraindication, black box warnings or additional warnings;
- the FDA may require development of a Risk Evaluation and Mitigation Strategy, or REMS, with Elements to Assure Safe Use, or ETASU, as a condition of approval or post-approval;
- we may decide to remove such product candidates from the marketplace;
- we may be subject to regulatory investigations and government enforcement actions;
- we could be sued and held liable for harm caused to patients; and

- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of our ADC product candidates and could substantially increase commercialization costs.

We may fail to discover and develop additional potential product candidates.

Our research programs to identify new product candidates will require substantial technical, financial and human resources, and we may be unsuccessful in our efforts to identify new product candidates. If we are unable to identify suitable additional product candidates for preclinical and clinical development, our ability to develop product candidates and obtain revenues from commercializing those products in future periods could be compromised, which could result in significant harm to our financial position and adversely impact our stock price.

Risks related to our reliance on third parties

Because we rely on third-party manufacturing and supply partners, our supply of research and development, preclinical and clinical development materials may become limited or interrupted or may not be of satisfactory quantity or quality.

We rely on third-party contract manufacturers to manufacture our preclinical and clinical study product supplies, and we lack the internal resources and the capability to manufacture any product candidates on a clinical or commercial scale. The facilities used by our contract manufacturers to manufacture the active pharmaceutical ingredient and final drug product must be approved by the FDA and other comparable foreign regulatory agencies pursuant to inspections that would be conducted after we submit our marketing application or relevant foreign regulatory submission to the applicable regulatory agency. There can be no assurance that our preclinical and clinical development product supplies will not be limited, interrupted or of satisfactory quality or continue to be available at acceptable prices. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or applicable foreign regulatory agencies, they will not be able to secure or maintain regulatory approval for their manufacturing facilities. Any replacement of our manufacturers could require significant effort and expertise because there may be a limited number of qualified replacements.

The manufacturing process for an ADC product candidate is subject to FDA and foreign regulatory authority review. Suppliers and manufacturers must meet applicable manufacturing requirements and undergo rigorous facility and process validation tests required by regulatory authorities in order to comply with regulatory standards, such as cGMP. We have no direct control over our contract manufacturers' ability to maintain adequate quality control, quality assurance and qualified personnel. In the event that any of our manufacturers fails to comply with regulatory requirements or to perform its obligations to us in relation to quality, timing or otherwise, or if our supply of components or other materials becomes limited or interrupted for other reasons, we may be forced to manufacture the materials ourselves, for which we currently do not have the capabilities or resources, or enter into an agreement with another third party, which we may not be able to do on reasonable terms, if at all. In some cases, the technical skills or technology required to manufacture our ADC product candidates may be unique or proprietary to the original manufacturer and we may have difficulty transferring such skills or technology to another third party and a feasible alternative may not exist. These factors would increase our reliance on such manufacturer or require us to obtain a license from such manufacturer in order to have another third party manufacture our ADC product candidates. If we are required to change manufacturers for any reason, we will be required to verify that the new manufacturer maintains facilities and procedures that

comply with quality standards and with all applicable regulations and guidelines. The delays associated with the verification of a new manufacturer could negatively affect our ability to develop ADC product candidates in a timely manner or within budget. Our reliance on contract manufacturers also exposes us to the possibility that they, or third parties with access to their facilities, will have access to and may appropriate our trade secrets or other proprietary information.

We expect to continue to rely on third-party manufacturers if we receive regulatory approval for any ADC product candidate. To the extent that we have existing, or enter into future, manufacturing arrangements with third parties, we will depend on these third parties to perform their obligations in a timely manner consistent with contractual and regulatory requirements, including those related to quality control and assurance. If we are unable to obtain or maintain third-party manufacturing for ADC product candidates, or to do so on commercially reasonable terms, we may not be able to develop and commercialize our ADC product candidates successfully. Our or a third party's failure to execute on our manufacturing requirements and comply with cGMP could adversely affect our business in a number of ways, including:

- an inability to initiate or continue clinical studies of ADC product candidates under development;
- delay in submitting regulatory applications, or receiving regulatory approvals, for ADC product candidates;
- loss of the cooperation of an existing or future strategic partner;
- subjecting third-party manufacturing facilities or our manufacturing facilities to additional inspections by regulatory authorities;
- a requirement to cease distribution or to recall batches of our ADC product candidates; and
- in the event of approval to market and commercialize an ADC product candidate, an inability to meet commercial demands for our products.

We, or our third-party manufacturers, may be unable to successfully scale-up manufacturing of our ADC product candidates in sufficient quality and quantity, which would delay or prevent us from developing our ADC product candidates and commercializing approved products, if any.

In order to conduct clinical studies of our ADC product candidates and commercialize any approved ADC product candidates, we, or our manufacturing partners, will need to manufacture them in large quantities. We, or our manufacturing partners, may be unable to successfully increase the manufacturing capacity for any of our product candidates in a timely or cost-effective manner, or at all. In addition, quality issues may arise during scale-up activities. If we, or any manufacturing partners, are unable to successfully scale up the manufacture of our ADC product candidates in sufficient quality and quantity, the development, testing and clinical studies of that ADC product candidates may be delayed or infeasible, and regulatory approval or commercial launch of any resulting product may be delayed or not obtained, which could significantly harm our business. We are currently evaluating which third-party manufactures to engage for scale-up to commercial supply of our ADC product candidates, including XMT-1522 and XMT-1536. If we are unable to obtain or maintain third-party manufacturing for commercial supply of ADC product candidates, or to do so on commercially reasonable terms, we may not be able to develop and commercialize our ADC product candidates successfully.

We rely on third parties to conduct preclinical studies and clinical studies for XMT-1522 and XMT-1536, and if they do not properly and successfully perform their obligations to us, we may not be able to obtain regulatory approvals for XMT-1522 or XMT-1536 or any other ADC product candidates that we may develop in the future.

We have designed the Phase 1 clinical study for XMT-1522 and intend to design any future clinical study for any future unpartnered ADC product candidates that we may develop, including XMT-1536 if preclinical studies are successful. However, we rely on CROs and other third parties to assist in managing, monitoring and otherwise carrying out many of these studies. As a result, we have less direct control over the conduct, timing and completion of these clinical studies and the management of data developed through clinical studies than would be the case if we were relying entirely upon our own staff. These CROs and other third parties are not our employees and we have limited control over the amount of time and resources that they dedicate to our programs. We compete with many other companies for the resources of these third parties. These third parties may have contractual relationships with other entities, some of which may be our competitors, which may draw time and resources from our programs. The third parties with whom we contract might not be diligent, careful or timely in conducting our preclinical studies or clinical studies, resulting in the preclinical studies or clinical studies being delayed or unsuccessful.

The third parties on whom we rely generally may terminate their engagements at any time, and having to enter into alternative arrangements would delay development and commercialization of our ADC product candidates. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may:

- have staffing difficulties;
- fail to comply with contractual obligations;
- experience regulatory compliance issues;
- undergo changes in priorities or become financially distressed; or
- form relationships with other entities, some of which may be our competitors.

The FDA and comparable foreign regulatory authorities require compliance with regulations and standards, including GCP, for designing, conducting, monitoring, recording, analyzing and reporting the results of clinical studies to assure that the data and results are credible and accurate and that the rights, integrity and confidentiality of study participants are protected. Although we rely, and intend to continue to rely, on third parties to conduct our clinical studies, they are not our employees, and we are responsible for ensuring that each of these clinical studies is conducted in accordance with its general investigational plan, protocol and other requirements. Our reliance on these third parties for research and development activities will reduce our control over these activities but will not relieve us of our responsibilities.

If these third parties do not successfully carry out their duties under their agreements, if the quality or accuracy of the data they obtain is compromised due to their failure to adhere to clinical study protocols or to regulatory requirements, or if they otherwise fail to comply with clinical study protocols or meet expected deadlines, the clinical studies of our ADC product candidates may not meet regulatory requirements. The FDA enforces GCP regulations through periodic inspections of clinical study sponsors, principal investigators and study sites. If we or our CROs fail to comply with applicable GCPs or other regulatory requirements, the clinical data generated in our clinical studies may be deemed unreliable, third parties may need to be replaced and preclinical development activities or clinical studies may be extended,

delayed, suspended or terminated. If any of these events occur, we may not be able to obtain regulatory approval of our ADC product candidates on a timely basis or at all.

We depend on strategic partnerships with other companies to assist in the research, development and commercialization of our ADC platforms and ADC product candidates. If our existing partners do not perform as expected, this may negatively affect our ability to commercialize our ADC product candidates, including XMT-1522, or generate revenues through technology licensing, or may otherwise negatively affect our business.

We have established strategic partnerships and intend to continue to establish strategic partnerships with third parties to research, develop and commercialize our ADC platforms and existing and future ADC product candidates. We entered into a collaboration agreement with Takeda in January 2016 for the co-development of XMT-1522 that granted Takeda rights to commercialize XMT-1522 outside of the United States and Canada. We also have entered another collaboration agreement with Takeda and a collaboration agreement with Merck KGaA for the development and commercialization of other ADC product candidates. For certain of these programs, we will depend on our partners to design and conduct their clinical studies. As a result, we may not be able to conduct these programs in the manner or on the time schedule we currently contemplate, which may negatively impact our business operations. In addition, if any of these partners withdraw support for these programs or proposed products or otherwise impair their development, our business could be negatively affected.

Our partners may terminate their agreements with us for cause under certain circumstances or at will in certain cases and discontinue use of our technologies. In addition, we cannot control the amount and timing of resources our partners may devote to products utilizing or incorporating our technology. Moreover, our relationships with our partners may divert significant time and effort of our scientific staff and management team and require effective allocation of our resources to multiple internal and collaborative projects. Our partners may fail to perform their obligations under the collaboration agreements or may be slow in performing their obligations. If conflicts arise between our partners and us, the other party may act in a manner adverse to us and could limit our ability to implement our strategies. If any of our partners terminate or breach our agreements with them, or otherwise fail to complete their obligations in a timely manner, it may have a detrimental effect on our financial position by reducing or eliminating the potential for us to receive technology access and license fees, milestones and royalties, reimbursement of development costs, as well as possibly requiring us to devote additional efforts and incur costs associated with pursuing internal development of product candidates. Furthermore, if our partners do not prioritize and commit sufficient resources to programs associated with our product candidates or collaboration product candidates, we or our partners may be unable to commercialize these product candidates, which would limit our ability to generate revenue and become profitable.

In particular, if Takeda were to terminate the XMT-1522 strategic partnership, we would not receive milestone payments, co-funded development payments or, following approval, royalties for the sale of XMT-1522 outside the United States and Canada. As a result of such termination, we would have to engage another strategic partner to complete the XMT-1522 development process and to commercialize XMT-1522 outside the United States and Canada, or to complete the development process and undertake commercializing XMT-1522 outside the United States and Canada ourselves, either of which could significantly delay the continued development and commercialization of XMT-1522 and would increase our costs. In turn, this could significantly harm our financial position, adversely affect our stock price and require us to incur all the costs of developing and commercializing XMT-1522, which are now being co-funded by Takeda.

Our partners may separately pursue competing products, therapeutic approaches or technologies to develop treatments for the diseases targeted by us or our partners. Competing products, either developed by the partners or to which the partners have rights, may result in the withdrawal of partner support for our product candidates. Even if our partners continue their contributions to the strategic partnerships, they may nevertheless determine not to actively pursue the development or commercialization of any resulting products. Any of these developments could harm our product development efforts.

To date, we have depended on a small number of partners for a substantial portion of our revenue. The loss of any one of these partners could result in a material decline in our revenue.

We have strategic partnerships with a limited number of companies. To date, a substantial portion of our revenue has resulted from payments made under agreements with our corporate partners, and we expect that a portion of our revenue will continue to come from strategic partnerships. If XMT-1522 receives regulatory approval, our revenues will still depend in part on Takeda's ability and willingness to market the approved product outside of the United States and Canada. The loss of our partners, especially Takeda, or the failure of our partners to perform their obligations under their agreements with us, including paying license or technology fees, milestone payments, royalties or reimbursements, could have a material adverse effect on our financial performance. Payments under our existing and future strategic partnerships are also subject to significant fluctuations in both timing and amount, which could cause our revenue to fall below the expectations of securities analysts and investors and cause a decrease in our stock price.

We may not be successful in establishing and maintaining additional strategic partnerships, which could adversely affect our ability to develop and commercialize products, negatively impacting our operating results.

We continue to strategically evaluate our partnerships and, as appropriate, we expect to enter into additional strategic partnerships in the future, including potentially with major biotechnology or biopharmaceutical companies. We face significant competition in seeking appropriate partners for our ADC product candidates, and the negotiation process is time-consuming and complex. In order for us to successfully partner our ADC product candidates, potential partners must view these ADC product candidates as economically valuable in markets they determine to be attractive in light of the terms that we are seeking and other available products for licensing by other companies. Even if we are successful in our efforts to establish strategic partnerships, the terms that we agree upon may not be favorable to us, and we may not be able to maintain such strategic partnerships if, for example, development or approval of an ADC product candidate is delayed or sales of an approved product are disappointing. Any delay in entering into strategic partnership agreements related to our ADC product candidates could delay the development and commercialization of such candidates and reduce their competitiveness even if they reach the market. If we are not able to generate revenue under our strategic partnerships when and in accordance with our expectations or the expectations of industry analysts, this failure could harm our business and have an immediate adverse effect on the trading price of our common stock.

If we fail to establish and maintain additional strategic partnerships related to our unpartnered ADC product candidates, we will bear all of the risk and costs related to the development of any such ADC product candidate, and we may need to seek additional financing, hire additional employees and otherwise develop expertise, such as regulatory expertise, for which we have not budgeted. If we were not successful in seeking additional financing, hiring additional employees or developing additional expertise, our cash burn rate would increase or we would need to take steps to reduce our rate of ADC product candidate development. This could negatively affect the development of any unpartnered ADC product candidate.

Risks related to commercialization of our ADC product candidates

Our future commercial success depends upon attaining significant market acceptance of our ADC product candidates, if approved, among physicians, patients and health care payors.

Even if we obtain regulatory approval for XMT-1522, XMT-1536 or any other ADC product candidates that we may develop or acquire in the future, the product candidate may not gain market acceptance among physicians, health care payors, patients and the medical community. Market acceptance of any approved products depends on a number of factors, including:

- the efficacy and safety of the product, as demonstrated in clinical studies;
- the indications for which the product is approved and the label approved by regulatory authorities for use with the product, including any warnings that may be required on the label;
- acceptance by physicians and patients of the product as a safe and effective treatment;
- the cost, safety and efficacy of treatment in relation to alternative treatments;
- the availability of adequate reimbursement and pricing by third-party payors and government authorities;
- relative convenience and ease of administration;
- the prevalence and severity of adverse side effects; and
- the effectiveness of our sales and marketing efforts.

Perceptions of any product are influenced by perceptions of competitors' products that are in the same class of drugs or have a similar mechanism of action. As a result, adverse public perception of our competitors' ADC products may negatively impact the market acceptance of our ADC product candidates. Market acceptance is critical to our ability to generate significant revenue and become profitable. Any therapeutic candidate, if approved and commercialized, may be accepted in only limited capacities or not at all. If any approved products are not accepted by the market to the extent that we expect, we may not be able to generate significant revenue and our business would suffer.

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

The precise incidence and prevalence of breast cancer, NSCLC and gastric cancer with low HER2 expression and of epithelial ovarian cancer and non-squamous NSCLC with NaPi2b expression are unknown. Our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our drug candidates, are based on estimates. The total addressable market opportunity for XMT-1522 for the treatment of patients with breast cancer, NSCLC and gastric cancer with HER2 expression and XMT-1536 for the treatment of epithelial ovarian cancer and non-squamous NSCLC with NaPi2b expression will ultimately depend upon, among other things, the diagnosis criteria included in the final label for each of XMT-1522 and XMT-1536, if our drug candidates are approved for sale for these indications, acceptance by the medical community and patient access, drug pricing and reimbursement. The number of patients who can be treated with our drug candidates may turn out to be lower than expected, patients may not be otherwise amenable to treatment

with our drugs, or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our results of operations and our business.

If we are unable to establish sales, marketing and distribution capabilities, we may not be successful in commercializing our product candidates if and when they are approved.

We do not have a sales or marketing infrastructure and have no experience in the sale, marketing or distribution of products. To achieve commercial success for any product for which we have obtained marketing approval, we will need to establish a sales and marketing organization.

In the future, we expect to build a focused sales and marketing infrastructure to market XMT-1522 in the United States and Canada, if and when it is approved, and to market XMT-1536 and other ADC product candidates in the United States and certain foreign jurisdictions, if and when they are approved. There are risks involved with establishing our own sales, marketing and distribution capabilities. For example, recruiting and training a sales force is expensive and time consuming and could delay any product launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

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

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

If we are unable to establish our own sales, marketing and distribution capabilities and enter into arrangements with third parties to perform these services, our product revenues and our profitability, if any, are likely to be lower than if we were to market, sell and distribute any products that we develop ourselves.

In addition, we may not be successful in entering into arrangements with third parties to sell, market and distribute certain of our product candidates outside of the United States or may be unable to do so on terms that are favorable to us. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively. If we do not establish sales, marketing and distribution capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our product candidates.

Reimbursement may be limited or unavailable in certain market segments for our ADC product candidates, which could make it difficult for us to sell our products profitably.

In both domestic and foreign markets, sales of any of our product candidates, if approved, will depend, in part, on the extent to which the costs of our products will be covered by third-party payors, such as government health programs, commercial insurance and managed health care organizations. These third party payors decide which drugs will be covered and establish reimbursement levels for those drugs. The

containment of health care costs has become a priority of foreign and domestic governments as well as private third party payors. The prices of drugs have been a focus in this effort. Governments and private third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications, which could affect our ability to sell our product candidates profitably. Cost-control initiatives could cause us to decrease the price we might establish for products, which could result in lower than anticipated product revenues.

Reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor's determination that use of a product is:

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

Adverse pricing limitations may hinder our ability to recoup our investment in XMT-1522, XMT-1536 or any future ADC product candidates, even if such product candidates obtain marketing approval.

Obtaining coverage and reimbursement approval for a product from a government or other third-party payor is a time consuming and costly process that could require us to provide supporting scientific, clinical and cost-effectiveness data for the use of our products to the payor. Further, there is significant uncertainty related to third-party payor coverage and reimbursement of newly approved drugs. We may not be able to provide data sufficient to gain acceptance with respect to coverage and reimbursement. We cannot be sure that coverage or adequate reimbursement will be available for any of our ADC product candidates. Also, we cannot be sure that reimbursement amounts will not reduce the demand for, or the price of, our products. If reimbursement is not available or is available only to limited levels, we may not be able to commercialize certain of our products. In addition, in the United States, third-party payors are increasingly attempting to contain health care costs by limiting both coverage and the level of reimbursement of new drugs. As a result, significant uncertainty exists as to whether and how much third-party payors will reimburse patients for their use of newly approved drugs, which in turn will put pressure on the pricing of drugs.

Price controls may be imposed in foreign markets, which may adversely affect our future profitability.

In some countries, including in member states of the European Union, the pricing of prescription drugs is subject to governmental control. Additional countries may adopt similar approaches to the pricing of prescription drugs. In such countries, pricing negotiations with governmental authorities can take considerable time after receipt of marketing approval for a product. In addition, there can be considerable pressure by governments and other stakeholders on prices and reimbursement levels, including as part of cost containment measures. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various European Union member states and parallel distribution, or arbitrage between low-priced and high-priced member states, can further reduce prices. In some countries, we may be required to conduct a clinical study or other studies that compare the cost-effectiveness of our ADC product candidates to other available therapies in order to obtain or maintain reimbursement or pricing approval. We cannot be sure that such prices and reimbursement will be acceptable to us or our strategic partners. Publication of discounts by third-party payors or authorities may lead to further pressure on the

prices or reimbursement levels within the country of publication and other countries. If pricing is set at unsatisfactory levels or if reimbursement of our products is unavailable or limited in scope or amount, our revenues from sales by us or our strategic partners and the potential profitability of our ADC product candidates in those countries would be negatively affected.

The impact of recent health care reform legislation and other changes in the health care industry and in health care spending on us is currently unknown and may adversely affect our business model.

Our revenue prospects could be affected by changes in health care spending and policy in the United States and abroad. We operate in a highly regulated industry and new laws, regulations or judicial decisions, or new interpretations of existing laws, regulations or decisions, related to health care availability, the method of delivery or payment for health care products and services could negatively impact our business, operations and financial condition.

The United States and state governments continue to propose and pass legislation designed to reduce the cost of health care. In March 2010, the U.S. Congress enacted the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act, or the Health Care Reform Act, which include changes to the coverage and reimbursement of drug products under government health care programs such as:

- increasing drug rebates under state Medicaid programs for brand name prescription drugs and extending those rebates to Medicaid managed care;
- extending discounted rates on drug products available under the Public Health Service pharmaceutical pricing program to additional hospitals and other providers;
- assessing a fee on manufacturers and importers of brand name prescription drugs reimbursed under certain government programs, including Medicare and Medicaid; and
- requiring drug manufacturers to provide a 50% discount on Medicare Part D brand name prescription drugs sold to Medicare beneficiaries whose prescription drug costs cause the beneficiaries to be subject to the Medicare Part D coverage gap (i.e., the so-called "donut hole").

It is likely that federal and state legislatures within the United States and foreign governments will continue to consider changes to existing health care legislation. We cannot predict the reform initiatives that may be adopted in the future or whether initiatives that have been adopted will be repealed or modified. The continuing efforts of the government, insurance companies, managed care organizations and other payors of health care services to contain or reduce costs of health care may adversely affect:

- the demand for any products for which we may obtain regulatory approval;
- our ability to set a price that we believe is fair for our products;
- our ability to obtain coverage and reimbursement approval for a product;
- our ability to generate revenues and achieve or maintain profitability; and
- the level of taxes that we are required to pay.

Modifications to or repeal of all or certain provisions of the Health Care Reform Act are expected as a result of the outcome of the 2016 presidential election and Congressional Republicans maintaining control of Congress, consistent with statements made by Donald Trump and members of Congress during the presidential campaign and following the election. We cannot predict the ultimate content, timing or effect

of any changes to the Healthcare Reform Act, and significant changes to, or repeal of, the Healthcare Reform Act could have a material adverse effect on our business, financial condition and profitability.

In addition, other legislative changes have been proposed and adopted since the 2010 health care reform legislation. The Budget Control Act of 2011, as amended, or the Budget Control Act, includes provisions intended to reduce the federal deficit. The Budget Control Act resulted in the imposition of 2% reductions in Medicare payments to providers beginning in 2013. Recent legislation extends reductions through 2023. Any significant spending reductions affecting Medicare, Medicaid or other publicly funded or subsidized health programs that may be implemented, or any significant taxes or fees that may be imposed on us, as part of any broader deficit reduction effort or legislative replacement to the Budget Control Act, could have an adverse impact on our anticipated product revenues.

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

The biotechnology and biopharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. Many third parties compete with us in developing various approaches to cancer therapy. They include pharmaceutical companies, biotechnology companies, academic institutions and other research organizations. Any treatments developed by our competitors could be superior to our ADC product candidates. It is possible that these competitors will succeed in developing technologies that are more effective than our ADC platforms or ADC product candidates or that would render our ADC platforms obsolete or noncompetitive. We anticipate that we will face increased competition in the future as additional companies enter our market and scientific developments surrounding other cancer therapies continue to accelerate.

We are also aware of multiple companies with ADC technologies that may be competitive to our ADC platforms, including Astellas, AstraZeneca, Bristol-Myers Squibb, Daiichi Sankyo, ImmunoGen, Immunomedics, Pfizer and Seattle Genetics. These companies or their partners, including AbbVie, Genentech, Lilly, Novartis, Sanofi and Takeda, may develop ADC product candidates which compete in the same indications as our current and future ADC product candidates. There are approximately 60 ADC product candidates in active clinical development. There are currently two approved ADC therapies in the United States: brentuximab vedotin, marketed by Seattle Genetics and Takeda, and ado-trastuzumab emtansine, marketed by Genentech. Ado-trastuzumab emtansine is a HER2 targeted ADC approved for use in HER2 positive patients and, even though we are developing, and expect to get approval for, XMT-1522 for lower expressing HER2 patients, ado-trastuzumab emtansine may compete with our HER2 targeted ADC, XMT-1522, if XMT-1522 is approved. We expect to compete on improved efficacy, safety and tolerability compared to other ADC product candidates and if our products are not demonstrably superior in these respects compared to other approved therapeutics, we may not be able to compete effectively.

Many of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical studies, obtaining regulatory approval and marketing than we do. In addition, many of these competitors are active in seeking patent protection and licensing arrangements in anticipation of collecting royalties for use of technology that they have developed. Smaller or early-stage companies may also prove to be significant competitors, particularly through strategic partnerships with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, as well as in acquiring technologies complementary to our programs.

In addition, if our product candidates are approved and commercialized, we may face competition from biosimilars. The route to market for biosimilars was established with the passage of the Health Care Reform Act in March 2010. The Health Care Reform Act establishes a pathway for the FDA approval of follow-on biologics and provides twelve years data exclusivity for reference products and an additional six months exclusivity period if pediatric studies are conducted. In Europe, the European Medicines Agency has issued guidelines for approving products through an abbreviated pathway, and biosimilars have been approved in Europe. If a biosimilar version of one of our potential products were approved in the U.S. or Europe, it could have a negative effect on sales and gross profits of the potential product and our financial condition.

With respect to our current and potential future product candidates, we believe that our ability to compete effectively and develop products that can be manufactured cost-effectively and marketed successfully will depend on our ability to:

- advance our technology platforms;
- obtain and maintain intellectual property protection for our technologies and products;
- obtain required government and other public and private approvals on a timely basis;
- attract and retain key personnel;
- commercialize effectively;
- obtain reimbursement for our products in approved indications;
- comply with applicable laws, regulations and regulatory requirements and restrictions with respect to the commercialization of our products, including with respect to any changed or increased regulatory restrictions; and
- enter into additional strategic partnerships to advance the development and commercialization of our product candidates.

Risks related to our intellectual property

If we are unable to obtain or protect intellectual property rights related to our technology and ADC product candidates, or if our intellectual property rights are inadequate, we may not be able to compete effectively.

Our success depends in large part on our ability to obtain and maintain protection with respect to our intellectual property and proprietary technology. We rely upon a combination of patents, trade secret protection and confidentiality agreements to protect the intellectual property related to our ADC platforms, XMT-1522 and XMT-1536. The patent position of biopharmaceutical companies is generally uncertain because it involves complex legal and factual considerations and has, in recent years, been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights is highly uncertain. The standards applied by the United States Patent and Trademark Office, or USPTO, and foreign patent offices in granting patents are not always applied uniformly or predictably. For example, there is no uniform worldwide policy regarding patentable subject matter or the scope of claims allowable in patents. In addition, changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection. The patent prosecution process is expensive, complex and time-consuming, and we may

not be able to file, prosecute, maintain, enforce or license all necessary or desirable patents and patent applications at a reasonable cost or in a timely manner. It is also possible that we fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. There is no assurance that all potentially relevant prior art relating to our patents and patent applications has been found. We may be unaware of prior art that could be used to invalidate an issued patent or prevent our pending patent applications from issuing as patents.

The patent applications that we own or in-license may fail to result in issued patents, and even if they do issue as patents, such patents may not cover our ADC platforms and ADC product candidates in the United States or in other countries. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may results in loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and product candidates. For example, even if patent applications we license or own do successfully issue as patents and even if such patents cover our ADC platforms and ADC product candidates, third parties may challenge their validity, enforceability or scope, which may result in such patents being narrowed or invalidated. Furthermore, even if they are unchallenged, our patents and patent applications may not provide adequate protection or exclusivity for our ADC platform or ADC product candidates, prevent others from designing around our claims or otherwise provide us with a competitive advantage. Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business.

If patent applications we own or have in-licensed with respect to our ADC platforms or our ADC product candidates fail to issue, if their breadth or strength of protection is threatened, or if they fail to provide meaningful exclusivity, it could dissuade companies from collaborating with us. We cannot offer any assurances about which, if any, patents will issue, the breadth of any such patents or whether any issued patents will be found invalid and unenforceable or will be threatened by third parties. Any successful challenge to these patents or any other patents owned by or licensed to us could deprive us of rights necessary for the successful development and commercialization of any ADC product candidate. Since patent applications in the United States and most other countries are confidential for a period of time after filing, and some remain so until issued, we cannot be certain that we were the first to file any patent application related to an ADC product candidate. Furthermore, if third parties have filed such patent applications, an interference proceeding in the United States can be initiated by the USPTO or a third-party to determine who was the first to invent any of the subject matter covered by the patent claims of our applications. In addition, patents have a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after it is filed. Various extensions may be available; however, the life of a patent and the protection it affords is limited. Given the amount of time required for the development, testing and regulatory review of new product candidates, our owned or in-licensed patents protecting such candidates might expire before or shortly after such candidates are commercialized. If we encounter delays in obtaining regulatory approvals, the period of time during which we could market an ADC drug under patent protection could be further reduced. Even if patents covering our ADC product candidates are obtained, once the patent life has expired for a product, we may be open to competition from similar or generic products. The launch of a generic version of one of our products in particular would be likely to result in an immediate and substantial reduction in the demand for our product, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

On September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law, which could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art, may affect patent litigation and switch the U.S. patent system from a "first-to-invent" system to a "first-to-file" system. Under a first-to-file system, assuming the other requirements for patentability are met, the first inventor to file a patent application generally will be entitled to the patent on an invention regardless of whether another inventor had made the invention earlier. These provisions also allow third-party submission of prior art to the USPTO during patent prosecution and set forth additional procedures to attack the validity of a patent by the USPTO administered post grant proceedings. The USPTO developed additional 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. The Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Any loss of patent protection could have a material adverse impact on our business. We may be unable to prevent competitors from entering the market with a product that is similar to or the same as our ADC product candidates.

Issued patents covering XMT-1522 and XMT-1536 and any future ADC product candidates could be found invalid or unenforceable if challenged in court or before the USPTO or comparable foreign authority.

If we or one of our licensing partners initiate legal proceedings against a third party to enforce a patent covering one of XMT-1522, XMT-1536 or any other future product candidates, the defendant could counterclaim that the patent covering our product candidate is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent. Grounds for a validity challenge could be, among other things, an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, lack of written description or non-enablement. Grounds for an unenforceability assertion could be, among other things, an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, inter partes review, post-grant review, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in revocation, cancellation or amendment to our patents in such a way that they no longer cover and protect our product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity of our patents, for example, we cannot be certain that there is no invalidating prior art of which we, our licensors, our patent counsel and the patent examiner were unaware during prosecution. If a third party were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on one or more of our product candidates. Any such loss of patent protection could have a material adverse impact on our business, financial condition, results of operations and prospects.

If we fail to comply with our obligations under any license, strategic partnership or other agreements, we may be required to pay damages and could lose intellectual property rights that are necessary for developing and protecting our product candidates.

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

In addition, our existing licenses and collaboration agreements, including our license with Recepta for intellectual property covering the NaPi2b antibody in XMT-1536 and our agreement with Adimab under which we acquired Adimab's rights to XMT-1519, the antibody in XMT-1522, and were granted a license to certain intellectual property controlled by Adimab to exploit ADC product candidates containing XMT-1519, including XMT-1522, impose, and any future licenses, collaborations or other agreements we enter into are likely to impose, various development, commercialization, funding, milestone, royalty, diligence, sublicensing, insurance, patent prosecution and enforcement or other obligations on us. If we breach any of these obligations, or use the intellectual property licensed to us in an unauthorized manner, we may be required to pay damages and the licensor may have the right to terminate the license, including, in the case of our agreement with Recepta, the license for the rights covering the NaPi2b antibody in XMT-1536. In addition, if we breach certain obligations under our agreement with Adimab, Adimab may have the right to reacquire the rights to XMT-1519. Any of the foregoing could result in us being unable to develop, manufacture and sell products that are covered by the licensed technology or enable a competitor to gain access to the licensed technology. Disputes may arise regarding intellectual property subject to a licensing, collaboration or other agreements, including:

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

In addition, the agreements under which we currently license intellectual property or technology to or from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of

which could have a material adverse effect on our business, financial condition, results of operations and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates.

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 the technology that we license from third parties. For example, pursuant to our license agreement with Recepta, Ludwig Institute for Cancer Research Ltd., a co-owner of the intellectual property, retains control of such activities. Therefore, we cannot be certain that these patents and applications will be prosecuted, maintained and enforced in a manner consistent with the best interests of our business. If our licensors fail to obtain or maintain such intellectual property, or lose rights to such intellectual property, the rights we have licensed and our exclusivity may be reduced or eliminated and our right to develop and commercialize any of our products that are subject to such licensed rights could be adversely affected.

Moreover, our rights to our in-licensed patents and patent applications are dependent, in part, on inter-institutional or other operating agreements between the joint owners of such in-licensed patents and patent applications. If one or more of such joint owners breaches such inter-institutional or operating agreements, our rights to such in-licensed patents and patent applications may be adversely affected. In addition, while we cannot currently determine the amount of the royalty obligations we would be required to pay on sales of future products, if any, the amounts may be significant. The amount of our future royalty obligations will depend on the technology and intellectual property we use in products that we successfully develop and commercialize, if any. Therefore, even if we successfully develop and commercialize products, we may be unable to achieve or maintain profitability. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

If we are unable to successfully obtain rights to required third party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon development of the relevant program or product candidate and our business, financial condition, results of operations and prospects could suffer.

We may become involved in lawsuits to protect or enforce our intellectual property or to defend against intellectual property claims, which could be expensive, time consuming and unsuccessful.

Competitors and other third parties may infringe our patents or misappropriate or otherwise violate our owned and in-licensed intellectual property rights. To counter infringement or unauthorized use, litigation or other intellectual property proceedings may be necessary to enforce or defend our owned and in-licensed intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. Such litigation or proceedings can be expensive and time consuming, and any such claims could provoke defendants to assert counterclaims against us, including claims alleging that we infringe their patents or other intellectual property rights. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Many of our current and potential competitors have the ability to dedicate substantially greater resources to litigate intellectual property rights than we can and have more mature and developed intellectual property portfolios. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. Even if resolved in our favor, litigation or other intellectual property proceedings could result in substantial costs and diversion of management attention and resources, which could harm our business and financial results.

In addition, in a litigation or other proceeding, a court or administrative judge may decide that a patent owned by or licensed to us is invalid or unenforceable, or a court may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation or other proceeding could put one or more of our patents at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation and other proceedings, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. During the course of any patent or other intellectual property litigation or other proceeding, there could be public announcements of the results of hearings, rulings on motions and other interim proceedings or developments and if securities analysts or investors regard these announcements as negative, the perceived value of our ADC product candidates, programs or intellectual property could be diminished. Accordingly, the market price of our common stock may decline. Any of the foregoing could have a material adverse effect on our business, financial conditions, results of operations and prospects.

Third-party claims of intellectual property infringement or misappropriation may prevent or delay our development and commercialization efforts.

Our commercial success depends in part on our ability and the ability of our strategic partners to develop, manufacture, market and sell product candidates and use our proprietary technologies without infringing, misappropriating or otherwise violating the patents and proprietary rights of third parties. There is a substantial amount of litigation, both within and outside the United States, involving patent and other intellectual property rights in the biopharmaceutical industries, including patent infringement lawsuits, interferences, oppositions, reexamination, *inter partes* review, derivation and post grant review proceedings before the USPTO and corresponding foreign patent offices. Numerous U.S. and foreign issued patents and pending patent applications owned by third parties exist in the fields in which we are developing and may develop our ADC product candidates. As the biopharmaceutical industries expand and more patents are issued, the risk increases that our ADC product candidates may be subject to claims of infringement of the patent rights of third parties.

Third parties may assert that we, our customers, licensees or parties indemnified by us are employing their proprietary technology without authorization or have infringed upon, misappropriated or otherwise violated their intellectual property or other rights, regardless of their merit. For example, we may be subject to claims that we are infringing the patent, trademark or copyright rights of third parties, or that our employees have misappropriated or divulged their former employers' trade secrets or confidential information. There may be third-party patents or patent applications with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our ADC product candidates, that we failed to identify. For example, applications filed before November 29, 2000 and certain applications filed after that date that will not be filed outside the United States remain confidential until issued as patents. Except for certain exceptions, including the preceding exceptions, patent applications in the United States and elsewhere are generally published only after a waiting period of approximately 18 months after the earliest filing, and sometimes not at all. Therefore, patent applications covering our ADC platforms or our ADC product candidates could have been filed by others without our knowledge. Additionally, pending patent applications which have been published can, subject to certain limitations, be later amended in a manner that could cover our ADC platforms, our ADC product candidates or the use or manufacture of our ADC product candidates.

Even if we believe a third party's claims against us are without merit, a court of competent jurisdiction could hold that such third party's patent is valid, enforceable and cover aspects of our product candidates, including the materials, formulations, methods of manufacture, methods of analysis, or methods for

treatment, in which case, such third party would be able to block our ability to develop and commercialize the applicable technology or product candidate until such patent expired or unless we obtain a license and we may be required to pay such third party monetary damages, which could be substantial. Such licenses may not be available on acceptable terms, if at all. Even if we were able to obtain a license, the rights may be nonexclusive, which could result in our competitors gaining access to the same intellectual property and it could require us to make substantial licensing and royalty payments. Ultimately, we could be prevented from commercializing a product, or be forced to cease some aspect of our business operations, if, as a result of actual or threatened patent infringement claims, we are unable to enter into licenses on acceptable terms.

Parties making claims against us may also obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our ADC technology or one or more of our ADC product candidates. Defending against claims of patent infringement, misappropriation of trade secrets or other violations of intellectual property could be costly and time consuming, regardless of the outcome. Thus, even if we were to ultimately prevail, or to settle at an early stage, such litigation could burden us with substantial unanticipated costs. In addition, litigation or threatened litigation could result in significant demands on the time and attention of our management team, distracting them from the pursuit of other company business. In the event of a successful claim of infringement against us, in addition to potential injunctive relief, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, pay royalties, redesign our infringing products or obtain one or more licenses from third parties, which may be impossible or require substantial time and monetary expenditure.

We may face a claim of misappropriation if a third party believes that we inappropriately obtained and used trade secrets of such third party. If we are found to have misappropriated a third party's trade secrets, we may be prevented from further using such trade secrets, limiting our ability to develop our ADC product candidates, we may be required to obtain a license to such trade secrets which may not be available on commercially reasonable terms or at all and may be non-exclusive, and we may be required to pay damages, which could be substantial. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

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

Filing, prosecuting and defending patents on product candidates in all countries throughout the world where we expect there to be significant markets for our products could be prohibitively expensive, and the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. In addition, our intellectual property license agreements may not always include worldwide rights. For example, certain U.S. and foreign issued patents and patent applications are licensed to us by Recepta on a worldwide basis, except that Recepta retains exclusive rights in such patents and patent applications in Brazil. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection or licenses but enforcement is not as strong as that in the United States. These products may compete with our products, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Additionally, the laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States, and many companies have encountered significant problems in protecting and defending such 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 biotechnology, which could make it difficult for us to stop the infringement of our licensed and owned patents or marketing of competing products in violation of our intellectual property and proprietary rights generally. Proceedings to enforce our intellectual property and proprietary rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property and proprietary rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we or any of our licensors is forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected.

Confidentiality agreements with employees and third parties may not prevent unauthorized disclosure of trade secrets and other proprietary information.

In addition to the protection afforded by patents, we rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable or that we elect not to patent, processes for which patents are difficult to enforce and any other elements of our platform technology and discovery and development processes that involve proprietary know-how, information or technology that is not covered by patents. However, trade secrets can be difficult to protect. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with our employees, consultants and outside scientific advisors, contractors and partners. We cannot guarantee that we have entered into such agreement with each party that may have or have had access to our trade secrets or proprietary technology and processes. Additionally, our confidentiality agreements and other contractual protections may not be adequate to protect our intellectual property from unauthorized disclosure, third-party infringement or misappropriation. We may not have adequate remedies in the case of a breach of any such agreements, and our trade secrets and other proprietary information could be disclosed to our competitors or others may independently develop substantially equivalent or superior proprietary information and techniques or otherwise gain access to our trade secrets or disclose such technologies.

Enforcing a claim that a third party illegally obtained and is using any of our trade secrets is expensive and time consuming, and the outcome is unpredictable. In addition, some courts outside and within the United States sometimes are less willing to protect trade secrets. Misappropriation or unauthorized disclosure of our trade secrets could impair our competitive position and may have a material adverse effect on our business.

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

Many of our and our licensors' employees, including our senior management, consultants or advisors are currently, or previously were, employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Some of these employees, including members of our senior management, executed proprietary rights, non-disclosure and non-competition agreements, or similar agreements, in connection with such previous employment. Although we try to ensure that our employees, consultants and advisors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. Litigation may be necessary to defend against such claims. If we fail in 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 are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management. Any of the foregoing may have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property.

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

Depending upon the timing, duration and specifics of any FDA marketing approval of any product candidates we may develop, one or more of our owned or in-licensed U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Action of 1984, or Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent term extension of up to five years as compensation for the patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended and only those claims covering the approved drug, a method for using it or a method for manufacturing it may be extended. However, we may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension or the term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our business, financial condition, results of operations and prospects could be materially harmed.

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

Periodic maintenance fees, renewal fees, annuity fees and various other government fees on patents and patent applications will be due to be paid to the USPTO and various government patent agencies outside of the United States over the lifetime of our owned or licensed patents and applications. In certain circumstances, we rely on our licensing partners to pay these fees due to U.S. and non-U.S. patent agencies. The USPTO and various non-U.S. government agencies require compliance with several procedural, documentary, fee payment and other similar provisions during the patent application process. We are also dependent on our licensors to take the necessary action to comply with these requirements with respect to our licensed intellectual property. In some cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. There are situations, however, in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in a partial or complete loss of patent rights in the relevant jurisdiction. In such an event, potential competitors might be able to enter the market with similar or identical products or technology, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Intellectual property rights do not necessarily address all potential threats.

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

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

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

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

Risks related to our business and industry

If we fail to attract and keep senior management and key scientific personnel, we may be unable to successfully develop our ADC product candidates, conduct our clinical studies and commercialize our ADC product candidates.

Our ability to compete in the highly competitive biotechnology and biopharmaceutical industries depends upon our ability to attract, motivate and retain highly qualified managerial, scientific and medical personnel. We are highly dependent on members of our senior management, including Anna Protopapas, our President and Chief Executive Officer, and Donald Bergstrom, Chief Medical Officer. The loss of the services of any of these persons could impede the achievement of our research, development and commercialization objectives. Also, each of these persons may terminate their employment with us at any time. We do not maintain "key person" insurance for any of our executives or other employees.

Recruiting and retaining qualified scientific, clinical, sales and marketing personnel will also be critical to our success. We conduct our operations at our facility in Cambridge, Massachusetts, in a region that is headquarters to many other biopharmaceutical companies and many academic and research institutions. Competition for skilled personnel is intense and the turnover rate can be high, which may limit our ability to hire and retain highly qualified personnel on acceptable terms or at all. We may not be able to attract and retain these personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors, may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us.

We may encounter difficulties in managing our growth and expanding our operations successfully.

As we seek to advance our ADC product candidates through clinical studies and commercialization, we will need to expand our development, regulatory, manufacturing, marketing and sales capabilities or contract with third parties to provide these capabilities for us. As our operations expand, we expect that we will need to manage additional relationships with various strategic partners, suppliers and other third parties. Future growth will impose significant added responsibilities on members of management. Our future financial performance and our ability to commercialize our ADC product candidates and to compete effectively will depend, in part, on our ability to manage any future growth effectively. To that end, we must be able to manage our development efforts and clinical studies effectively and hire, train and integrate additional management, administrative and, if necessary, sales and marketing personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to accomplish these tasks, and our failure to accomplish any of them could prevent us from successfully growing our company or disrupt our operations.

Our relationships with health care professionals, institutional providers, principal investigators, consultants, customers (actual and potential) and third-party payors are, and will continue to be, subject, directly and indirectly, to federal and state health care fraud and abuse, false claims, marketing expenditure tracking and disclosure, government price reporting and health information privacy and security laws. If we are unable to comply, or have not fully complied, with such laws, we could face penalties, including, without limitation, civil, criminal and administrative penalties, damages, monetary fines, disgorgement, possible exclusion from participation in Medicare, Medicaid and other federal health care programs, contractual damages, reputational harm, diminished profits and future earnings and curtailment or restructuring of our operations.

Our business operations and activities may be directly or indirectly subject to various federal and state fraud and abuse laws, including, without limitation, the federal Anti-Kickback Statute and the federal False Claims Act. If we obtain FDA approval for any of our ADC product candidates and begin commercializing those products in the United States, our potential exposure under such laws will increase significantly, and our costs associated with compliance with such laws are also likely to increase. These laws may impact, among other things, our current activities with principal investigators and research subjects, as well as proposed and future sales, marketing and education programs. In addition, we may be subject to patient privacy regulation by the federal government and state governments in which we conduct our business. The laws that may affect our ability to operate include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under a federal health care program, such as the Medicare and Medicaid programs;

- federal civil and criminal false claims laws and civil monetary penalty laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment or approval from Medicare, Medicaid or other third-party payors that are false or fraudulent or knowingly making a false statement to improperly avoid, decrease or conceal an obligation to pay money to the federal government;

- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created new federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud any health care benefit program or obtain, by means of false or fraudulent pretenses, representations or promises, any of the money or property owned by, or under the custody or control of, any health care benefit program, regardless of the payor (e.g., public or private) and knowingly and willfully falsifying, concealing, or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, health care benefits, items or services relating to health care matters;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 and their respective implementing regulations, which impose requirements on certain covered health care providers, health plans, and health care clearinghouses as well as their respective business associates that perform services for them that involve the use, or disclosure of, individually identifiable health information, relating to the privacy, security and transmission of individually identifiable health information without appropriate authorization;

- the federal physician self-referral law, commonly known as the Stark Law, which prohibits a physician from making a referral to an entity for certain designated health services reimbursed by Medicare or Medicaid if the physician or a member of the physician's family has a financial relationship with the entity, and which also prohibits the submission of any claims for reimbursement for designated health services furnished pursuant to a prohibited referral;

- the federal Physician Payments Sunshine Act, created under Section 6002 of the Health Care Reform Act, and its implementing regulations requires manufacturers of drugs, devices, biologicals 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 United States 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, as well as ownership and investment interests held by physicians and their immediate family members, with data collection required beginning August 1, 2013 and reporting to the Centers for Medicare & Medicaid Services required by March 31, 2014 and by the 90th day of each subsequent calendar year;

- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers;

- federal government price reporting laws, changed by the Health Care Reform Act to, among other things, increase the minimum Medicaid rebates owed by most manufacturers under the Medicaid Drug Rebate Program and offer such rebates to additional populations, that require us to calculate and report complex pricing metrics to government programs, where such reported prices may be used in the calculation of reimbursement or discounts on our marketed drugs (participation in these programs and compliance with the applicable requirements may subject us to potentially significant discounts on our products, increased infrastructure costs, and potentially limit our ability to offer certain marketplace discounts);

- the Foreign Corrupt Practices Act, a United States law which regulates certain financial relationships with foreign government officials (which could include, for example, certain medical professionals); and

- state law equivalents of each of the above federal laws, such as anti-kickback, false claims, consumer protection and unfair competition laws which may apply to our business practices, including but not limited to, research, distribution, sales and marketing arrangements as well as submitting claims involving health care items or services reimbursed by any third-party payor, including commercial insurers; state laws that require biotech companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government that otherwise restricts payments that may be made to health care providers; state laws that require drug manufacturers to file reports with states regarding marketing information, such as the tracking and reporting of gifts, compensation and other remuneration and items of value provided to health care professionals and entities (compliance with such requirements may require investment in infrastructure to ensure that tracking is performed properly, and some of these laws result in the public disclosure of various types of payments and relationships, which could potentially have a negative effect on our business or increase enforcement scrutiny of our activities); and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways, with differing effects.

In addition, the regulatory approval and commercialization of any of our product candidates outside the United States will also likely subject us to foreign equivalents of the health care laws mentioned above, among other foreign laws.

The Health Care Reform Act, among other things, amended the intent standard of the federal Anti-Kickback Statute and criminal health care fraud statutes to a stricter standard such that a person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it. In addition, the Health Care Reform Act codified case law 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 federal False Claims Act.

Efforts to ensure that our business arrangements will comply with applicable health care laws may involve substantial costs. It is possible that governmental and enforcement 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 health care laws and regulations. If our operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including, without limitation, civil, criminal and administrative penalties, damages, monetary fines, disgorgement, possible exclusion from participation in Medicare, Medicaid and other federal health care programs, contractual damages, reputational harm, diminished profits and future earnings and curtailment or restructuring of our operations.

Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements and insider trading.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with FDA regulations, to provide accurate information to the FDA, to comply with manufacturing standards we have established, to comply with federal and state health care fraud and abuse laws and regulations, to report financial information or data accurately or to disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the health care industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical studies, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, disgorgement, possible exclusion from participation in Medicare, Medicaid and other federal health care programs, contractual damages, reputational harm, diminished profits and future earnings and curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of our ADC product candidates.

We face an inherent risk of product liability as a result of the clinical testing of our ADC product candidates and will face an even greater risk if we commercialize any products. For example, we may be sued if any product we develop allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our ADC product candidates. Even a successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- injury to our reputation;
- decreased demand for our product candidates or products that we may develop;
- withdrawal of clinical study participants;
- costs to defend the related litigations;
- a diversion of management's time and our resources;
- substantial monetary awards to study participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- the inability to commercialize our ADC product candidates; and
- a decline in our stock price.

Failure to obtain and retain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of products we develop. We currently carry product liability insurance covering our clinical studies in the amount of $10 million in the aggregate. Although we maintain such insurance, any claim that may be brought against us could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by our insurance or that is in excess of the limits of our insurance coverage. Our insurance policies also have various exclusions, and we may be subject to a product liability claim for which we have no coverage. We will have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. If we are unable to obtain or maintain sufficient insurance coverage at an acceptable cost or to otherwise protect against potential product liability claims, it could prevent or inhibit the development and commercial production and sale of our product candidates, which could adversely affect our business, financial condition, results of operations and prospects.

We and our third-party contract manufacturers must comply with environmental, health and safety laws and regulations, and failure to comply with these laws and regulations could expose us to significant costs or liabilities.

We and our third-party manufacturers are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the use, generation, manufacture, distribution, storage, handling, treatment, remediation and disposal of hazardous materials and wastes. Hazardous chemicals, including flammable and biological materials, are involved in certain aspects of our business, and we cannot eliminate the risk of injury or contamination from the use, generation, manufacture, distribution, storage, handling, treatment or disposal of hazardous materials and wastes. In the event of contamination or injury, or failure to comply with environmental, health and safety laws and regulations, we could be held liable for any resulting damages and any such liability could exceed our assets and resources. We could also incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations. We are uninsured for third-party injury from contamination.

Environmental, health and safety laws and regulations are becoming increasingly more stringent. We may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Further, with respect to the operations of our third-party contract manufacturers, it is possible that if they fail to operate in compliance with applicable environmental, health and safety laws and regulations or properly dispose of wastes associated with our products, we could be held liable for any resulting damages, suffer reputational harm or experience a disruption in the manufacture and supply of our product candidates or products.

We may acquire assets or form strategic alliances in the future, and we may not realize the benefits of such acquisitions.

We may acquire additional technologies and assets, form strategic alliances or create joint ventures with third parties that we believe will complement or augment our existing business. If we acquire assets with promising markets or technologies, we may not be able to realize the benefit of acquiring such assets if we are unable to successfully integrate them with our existing technologies. We may encounter numerous difficulties in developing, manufacturing and marketing any new products resulting from a strategic alliance or acquisition that delay or prevent us from realizing their expected benefits or enhancing our business. We cannot assure you that, following any such acquisition, we will achieve the expected synergies to justify the transaction.

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

Despite the implementation of security measures, our internal computer systems and those of our third-party CROs and other contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. While we have not experienced any such system failure, accident or security breach to date, if such an event were to occur and cause interruptions in our or our CROs' operations, it could result in a material disruption of our programs. For example, the loss of clinical study data for our product candidates could

result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach results in a loss of or damage to our data or applications or other data or applications relating to our technology or product candidates, or inappropriate disclosure of confidential or proprietary information, we could incur liabilities and the further development of our product candidates could be delayed.

Unfavorable global economic conditions could adversely affect our business, financial condition or results of operations.

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. For example, the global financial crisis caused extreme volatility and disruptions in the capital and credit markets. A severe or prolonged economic downturn, such as the global financial crisis, could result in a variety of risks to our business, including, weakened demand for our product candidates and our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could also strain our suppliers, possibly resulting in supply disruption. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business.

Risks related to our common stock and this offering

We are eligible to be treated as an "emerging growth company," as defined in the JOBS Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, (1) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, (2) reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements and (3) exemptions from the requirements of holding a non-binding advisory vote on executive compensation. In addition, as an emerging growth company, we are only required to provide two years of audited financial statements and two years of selected financial data in this prospectus.

We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our common stock held by non-affiliates exceeds $700.0 million as of any June 30 before that time or if we have total annual gross revenue of $1.0 billion or more during any fiscal year before that time, in which cases we would no longer be an emerging growth company as of the following December 31 or, if we issue more than $1.0 billion in non-convertible debt during any three-year period before that time, we would cease to be an emerging growth company immediately. Even after we no longer qualify as an emerging growth company, we may still qualify as a "smaller reporting company" which would allow us to take advantage of many of the same exemptions from disclosure requirements, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. When these exemptions cease to apply, we expect to incur

additional expenses and devote increased management effort toward ensuring compliance with them, and we cannot predict or estimate the amount or timing of such additional costs.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

We do not know whether a 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.

Before this offering, there was no public trading market for our common stock. If a market for our common stock does not develop or is not sustained, it may be difficult for you to sell your shares of common stock at an attractive price, or at all. Further, 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 partnerships or acquire companies or products by using our shares of common stock as consideration. We cannot predict the prices at which our common stock will trade. It is possible that in one or more future periods our results of operations may be below the expectations of public market analysts and investors and, as a result of these and other factors, the price of our common stock may fall.

The market price of our common stock may be highly volatile, and you may not be able to resell your shares at or above the initial public offering price.

The initial public offering price for our shares will be determined by negotiations between us and the representatives of the underwriters and may not be indicative of prices that will prevail in the trading market. The market price of shares of our common stock could be subject to wide fluctuations in response to many risk factors listed in this "Risk factors" section, and others beyond our control, including:

- results and timing of preclinical studies and clinical studies of our ADC product candidates, including XMT-1522 and XMT-1536;
- results of clinical studies of our competitors' products;
- failure to adequately protect our trade secrets;
- our inability to raise additional capital and the terms on which we raise it;
- commencement or termination of any strategic partnership or licensing arrangement;
- regulatory developments, including actions with respect to our products or our competitors' products;
- actual or anticipated fluctuations in our financial condition and operating results;
- publication of research reports by securities analysts about us or our competitors or our industry;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- additions and departures of key personnel;

- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- the passage of legislation or other regulatory developments affecting us or our industry;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- sales of our common stock by us, our insiders or our other stockholders;
- speculation in the press or investment community;
- announcement or expectation of additional financing efforts;
- changes in market conditions for biopharmaceutical stocks; and
- changes in general market and economic conditions.

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

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

As of December 31, 2016, our executive officers, directors and stockholders who owned more than 5% of our outstanding common stock before this offering, together with their respective affiliates, beneficially owned approximately 94.9% of our common stock, including shares subject to outstanding options and warrants that are exercisable within 60 days after such date. We expect that upon completion of this offering, our executive officers and directors, combined with our stockholders who owned more than 5% of our outstanding common stock before this offering, together with their respective affiliates, will still continue to beneficially hold at least % of our outstanding common stock. Accordingly, even after this offering, these stockholders will be able to exert a significant degree of influence over our management and affairs and over matters requiring stockholder approval, including the election of our board of directors and approval of significant corporate transactions. This concentration of ownership could have the effect of entrenching our management or board of directors, delaying or preventing a change in our control or otherwise discouraging a potential acquirer from attempting to obtain control of us, which in turn could have a material and adverse effect on the fair market value of our common stock.

A significant portion of our total outstanding shares may be sold into the public market in the near future, which could cause the market price of our common stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our common stock in the public market could occur at any time after the expiration of the lock-up agreements described in the "Underwriting" section of this prospectus. These sales, or the market perception that the holders of a large number of shares intend to sell shares,

could reduce the market price of our common stock. After this offering, we will have shares of common stock outstanding. This includes the shares that we are selling in this offering, which may be resold in the public market immediately. The remaining shares will be able to be sold 180 days after the date of this prospectus, due to lock-up agreements between the holders of these shares and the underwriters. However, J. P. Morgan Securities LLC, Cowen and Company, LLC and Leerink Partners LLC, on behalf of the underwriters, can waive the provisions of these lock-up agreements by prior written consent and allow these stockholders to sell their shares at any time.

In addition, as of December 31, 2016, there were 13,059,376 shares subject to outstanding options that will become eligible for sale in the public market to the extent permitted by any applicable vesting requirements, the lock-up agreements and Rules 144 and 701 under the Securities Act. Moreover, after this offering, holders of an aggregate of shares of our common stock and holders of warrants to purchase shares of our common stock will have rights, subject to some 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. If such holders, by exercising their registration rights, cause a large number of securities to be registered and sold into the public market, these sales could have an adverse effect on the market price for our common stock. We also intend to register all shares of common stock that we may issue under our employee benefit plans, including our 2017 Stock Option Plan. Once we register these shares and they are issued in accordance with the terms of the plans, they can be freely sold in the public market upon issuance, subject to the lock-up agreements and the restrictions imposed on our affiliates under Rule 144. For more information, see "Shares eligible for future sale—Rule 144."

You will incur immediate and substantial dilution as a result of this offering.

If you purchase common stock in this offering, assuming a public offering price of $ per share, the midpoint of the range set forth on the cover page of this prospectus, you will incur immediate and substantial dilution of $ per share, representing the difference between the assumed initial public offering price of $ per share and our pro forma as adjusted net tangible book value per share after giving effect to this offering. Moreover, we issued warrants and options in the past to acquire common stock at prices significantly below the assumed initial public offering price. As of December 31, 2016, there were 13,642,101 shares subject to outstanding warrants and options. To the extent that these outstanding warrants and options are ultimately exercised, you will incur further dilution. As a result of the dilution to investors purchasing shares in this offering, investors may receive significantly less than the purchase price paid in this offering, if anything, in the event of our liquidation. For more information on the dilution you may suffer as a result of investing in this offering, see "Dilution."

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

We currently intend to use the net proceeds from this offering to fund the continued development of XMT-1522 and XMT-1536, including our Phase 1 clinical studies for XMT-1522 and XMT-1536, and to fund new and ongoing research activities including for our ADC platforms, as described in "Use of proceeds." Any remaining amounts will be used for working capital and general corporate purposes, including funding the costs of operating as a public company, capital expenditures and the hiring of additional personnel. Although we currently intend to use the net proceeds from this offering in such a manner, we will have broad discretion in the application of the net proceeds. We may use the net proceeds for purposes that do not yield a significant return or any return at all for our stockholders. Our failure to apply these funds

effectively could adversely affect our ability to continue to develop and commercialize our ADC product candidates and harm our business.

We will incur increased costs as a result of being a public company, and our management will be required to devote substantial time to public company compliance programs.

To comply with the requirements imposed on us as a public company, we will incur significant legal, insurance, accounting and other expenses that we did not incur as a private company. In addition, our administrative staff will be required to perform additional tasks. For example, in anticipation of becoming a public company, we will need to adopt additional internal controls and disclosure controls and procedures, retain a transfer agent, adopt an insider trading policy and bear all of the internal and external costs of preparing and distributing periodic public reports in compliance with our obligations under the securities laws. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment will result in increased general and administrative expenses and may divert management's time and attention from product development activities. These laws, regulations and standards are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters, enforcement proceeding and higher costs necessitated by ongoing revisions to disclosure and governing practices. In connection with this offering, we are increasing our directors' and officers' insurance coverage, which will increase our insurance cost. In the future, it will be more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

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

We are not currently required to comply with the SEC's rules that implement Section 404 of the Sarbanes-Oxley Act, and are therefore not yet required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a public company, we will be required to comply with certain of these rules, which will require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting commencing with our second annual report. This assessment will need to include the disclosure of any material weaknesses in our internal control over

financial reporting identified by our management or our independent registered public accounting firm. We are just beginning the costly and challenging process of implementing the system and processing documentation needed to comply with such requirements. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion.

Our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting until, at earliest, the later of our second annual report or the first annual report required to be filed with the SEC following the date we are no longer an "emerging growth company" as defined in the JOBS Act. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal controls in the future.

We do not expect to pay any cash dividends for the foreseeable future.

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

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. Securities and industry analysts do not currently, and may never, publish research on our company. If no securities or industry analysts commence coverage of our company, the trading price for our stock would likely be negatively impacted. In the event securities or industry analysts initiate coverage, if one or more of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business, our stock price would likely decline. In addition, if our operating results fail to meet the forecast of analysts, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price and trading volume to decline.

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

Our amended and restated certificate of incorporation, amended and restated by-laws and Delaware law contain provisions that may have the effect of discouraging, delaying or preventing a change in control of us or changes in our management that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. Our amended and restated certificate of incorporation and by-laws, which will become effective upon the closing of this offering, include provisions that:

- authorize "blank check" preferred stock, which could be issued by our board of directors without stockholder approval and may contain voting, liquidation, dividend and other rights superior to our common stock;

- create a classified board of directors whose members serve staggered three-year terms;

- specify that special meetings of our stockholders can be called only by our board of directors;
- prohibit stockholder action by written consent;
- establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum;
- provide that our directors may be removed only for cause;
- specify that no stockholder is permitted to cumulate votes at any election of directors;
- expressly authorized our board of directors to modify, alter or repeal our amended and restated by-laws; and
- require supermajority votes of the holders of our common stock to amend specified provisions of our amended and restated certificate of incorporation and amended and restated by-laws.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock.

In addition, because we are incorporated in the State of Delaware, we are governed by the provisions of Section 203 of the General Corporation Law of the State of Delaware, or the DGCL, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

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

Our ability to use net operating losses and certain tax credit carryforwards may be subject to certain limitations.

Under Section 382 of the Internal Revenue Code of 1986 as amended, or the Code, a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its net operating losses, or NOLs, or other tax attributes (including certain tax credits) to offset future taxable income or reduce tax. In general, an ownership change, as defined by Section 382 of the Code, results from transactions increasing the ownership of certain stockholders in the stock of a corporation by more than 50% over a three-year period. We have determined that, as a result of certain issuances of stock through December 31, 2015, we have experienced such ownership changes. Depending on the timing of any future utilization of our carryforwards, we may be limited as to the amount that can be utilized each year as a result of previous ownership changes. In addition, future changes in our stock ownership, including from this or future offerings, as well as other changes that may be outside of our control, could result in additional ownership changes under Section 382 of the Code. Our NOLs and other tax attributes may also be impaired under similar provisions of state law. Furthermore, our ability to utilize our NOLs and other tax attributes is conditioned upon our attaining profitability and generating U.S. federal and state taxable income. As

described above under "—Risks related to our financial position and need for additional capital," we have incurred net losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future; thus, we do not know whether or when we will generate the U.S. federal and state taxable income necessary to utilize our NOLs and other tax attributes. We have recorded a full valuation allowance related to our NOLs and other deferred tax assets due to the uncertainty of the ultimate realization of the future benefits of those assets.

Our amended and restated certificate of incorporation designates the state or federal courts within the State of Delaware as the exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that, subject to limited exceptions, the state or federal courts within the State of Delaware will be exclusive forums for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action asserting a claim against us arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our amended and restated by-laws or (4) any other action asserting a claim against us that is 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 a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our amended and restated certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

Cautionary note regarding forward-looking statements

This prospectus contains forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, our clinical results and other future conditions. The words "anticipate," "believe," "estimate," "expect," "forecast," "goal," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," "contemplate" or the negative of these terms or other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

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

- the initiation, cost, timing, progress and results of our current and future research and development activities, preclinical studies and clinical trials;
- the potential benefits of strategic partnership agreements and our ability to enter into selective strategic partnership arrangements;
- the timing of, and our ability to obtain and maintain, regulatory approvals for our product candidates;
- our ability to quickly and efficiently identify and develop additional product candidates;
- our ability to advance any product candidate into, and successfully complete clinical trials;
- our intellectual property position, including with respect to our trade secrets;
- our use of the proceeds from this offering; and
- our estimates regarding expenses, future revenues, capital requirements, the sufficiency of our current and expected cash resources and our need for additional financing.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included in this prospectus, particularly in the "Risk factors" section, that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

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

Use of proceeds

We estimate that we will receive net proceeds of approximately $ from the sale of the shares of common stock offered in this offering, or approximately $ if the underwriters exercise their option to purchase additional shares in full, based on an assumed initial public offering price of $ per share (the midpoint of the range set forth on the cover of this prospectus), after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) our net proceeds by $ million, assuming the number of shares offered by us, as set forth on the cover of this prospectus, remains the same and after deducting the underwriting discount and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting the underwriting discount and estimated offering expenses payable by us, by approximately $ million, assuming the assumed initial public offering price stays the same.

The principal purposes of this offering are to increase our financial flexibility, create a public market for our common stock and to facilitate our access to the public equity markets. We currently expect to use the net proceeds from this offering as follows:

- approximately $ to $ for our Phase 1 clinical trial of XMT-1522, including clinical research outsourcing, drug manufacturing, companion diagnostic development and internal personnel costs;
- approximately $ to $ for our preclinical activities and Phase 1 clinical trial of XMT-1536, including clinical research outsourcing, drug manufacturing, companion diagnostic development and internal personnel costs; and
- approximately $ for new and ongoing research activities, including for our platform, with the goal of delivering one IND annually on average.

We expect to use the remainder of the net proceeds from this offering, if any, for working capital and other general corporate purposes, which may include funding for the hiring of additional personnel, capital expenditures and the costs of operating as a public company.

We believe the net proceeds from this offering, together with our existing cash and cash equivalents, will be sufficient to fund our Phase 1 clinical trials of XMT-1522 and of XMT-1536. Although it is difficult to predict future liquidity requirements, based on our current plans, we believe our cash and cash equivalents, together with the net proceeds to us from this offering, will be sufficient to fund our operations for the next months.

Although we currently anticipate that we will use the net proceeds from this offering as described above, there may be circumstances where a reallocation of funds is necessary. The amounts and timing of our actual expenditures will depend upon numerous factors, including the status of and results from our clinical trials and other studies, the progress of our preclinical development efforts, our operating costs and the other factors described under "Risk factors" in this prospectus. Accordingly, our management will have flexibility in applying the net proceeds from this offering. An investor will not have the opportunity to evaluate the economic, financial or other information on which we base our decisions on how to use the proceeds.

Although we may use a portion of the net proceeds of this offering for the acquisition or licensing, as the case may be, of additional technologies, other assets or businesses, or for other strategic investments or opportunities, we have no current understandings, agreements or commitments to do so.

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

Dividend policy

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay dividends will be made at the discretion of our board of directors and will depend on various factors, including applicable laws, our results of operations, financial condition, future prospects and any other factors deemed relevant by our board of directors.

Capitalization

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2016:

- on an actual basis;
- on a pro forma basis to reflect the conversion of all outstanding shares of our convertible preferred stock into an aggregate of 72,696,134 shares of common stock and the adoption of our amended and restated certificate of incorporation, which will occur immediately prior to the completion of this offering; and
- on a pro forma as adjusted basis to additionally reflect the issuance and sale by us of shares of our common stock in this offering, after deducting the 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 range set forth on the cover of this prospectus).

Our capitalization following the closing of this offering will be adjusted based on the actual initial public offering price and other terms of the offering determined at pricing. You should read this information together with our audited financial statements and related notes appearing elsewhere in this prospectus and the information set forth under the headings "Selected financial data" and "Management's discussion and analysis of financial condition and results of operations."

	As of December 31, 2016		
(in thousands, except share and per share data)	**Actual**	**Pro forma**	**Pro forma as adjusted**
Cash and cash equivalents	$ 100,297	$ 100,297	$
Series A-1 convertible preferred stock, $0.0001 par value: 25,085,153 shares authorized, issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	26,336	—	—
Series B-1 convertible preferred stock, $0.0001 par value: 32,936,919 shares authorized, issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	35,232	—	—
Series C-1 convertible preferred stock, $0.0001 par value: 14,674,062 shares authorized, issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	32,882	—	—
Stockholders' (deficit) equity:			
Common stock, $0.0001 par value; 95,000,000 shares authorized, actual; 5,824,702 shares issued and outstanding, actual; shares authorized, pro forma; 78,520,836 shares issued and outstanding, pro forma; shares authorized, pro forma as adjusted; shares issued and shares outstanding, pro forma as adjusted;	1	8	
Additional paid-in capital	3,551	97,994	
Accumulated deficit	(59,171)	(59,171)	(59,171)
Total stockholders' (deficit) equity	(55,619)	38,831	
Total capitalization	$ 38,831	$ 38,831	$

(1) A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of Cash and cash equivalents, Additional paid-in capital, Total stockholders' (deficit) equity and Total capitalization 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. A 1,000,000 share increase (decrease) in the number of shares offered by us

would increase (decrease) the as adjusted amount of each of Cash and cash equivalents, Additional paid-in capital, Total stockholders' (deficit) equity and Total capitalization by approximately $ million after deducting underwriting discounts and commissions and any estimated offering expenses payable by us.

The number of shares of common stock to be outstanding after this offering is based on 78,520,836 shares of common stock outstanding as of December 31, 2016 and excludes the following:

- 13,059,376 shares of common stock issuable upon the exercise of outstanding stock options as of December 31, 2016 having a weighted-average exercise price of $0.49 per share;
- 582,725 shares of common stock issuable upon the exercise of outstanding warrants as of December 31, 2016 having an exercise price of $0.01 per share;
- 2,309,526 shares of common stock reserved for future issuance under our 2007 Stock Incentive Plan as of December 31, 2016;
- shares of common stock reserved for future issuance under our 2017 Stock Option Plan, which will become effective upon the completion of this offering; and
- shares of common stock reserved for future issuance under our 2017 ESPP, which will become effective upon the completion of this offering.

Dilution

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

As of December 31, 2016 we had a historical net tangible book value of $ million, or $ per share of common stock. Historical net tangible book value per share is equal to our total tangible assets, excluding deferred costs, less total liabilities, including convertible preferred stock, divided by the number of outstanding shares of our common stock. After giving effect to the sale of shares of common stock in this offering, after deducting the 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 range set forth on the cover of this prospectus), our pro forma as adjusted net tangible book value as of December 31, 2016 would have been approximately $, or approximately $ per share of common stock. This represents an immediate increase in pro forma as adjusted net tangible book value of $ per share to our existing stockholders and an immediate dilution of $ per share to investors participating in this offering.

The following table illustrates this per share dilution:

Assumed initial public offering price per share		$
Historical net tangible book value per share as of December 31, 2016	$	
Increase attributable to pro forma adjustments		
Pro forma net tangible book value per share as of December 31, 2016		
Increase in net tangible book value per share attributable to new investors		
Pro forma net tangible book value per share after this offering		
Dilution per share to new investors		$

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) our pro forma net tangible book value by approximately $, or by approximately $ per share and the dilution to investors purchasing shares in this offering by approximately $ 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 the underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their option to purchase additional shares in full, pro forma as adjusted net tangible book value as of December 31, 2016 will increase to $, or $ per share, representing an increase to existing stockholders of $ per share, and there will be an immediate dilution of $ per share to new investors.

The following table summarizes, on a pro forma as adjusted basis as of December 31, 2016, the differences between the number of shares of common stock purchased from us, the total consideration and the average price per share paid by existing stockholders (giving effect to the conversion of all of our convertible preferred stock into 72,696,134 shares of common stock prior to the completion of this offering) and by investors participating in this offering, before deducting the underwriting discounts and

commissions and estimated offering expenses, at an assumed initial public offering price of $ per share (the midpoint of the range set forth on the cover of this prospectus).

	Shares purchased		Total consideration		Average price / share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New investors		%		%	$
Total		100%	$	100%	$

The number of shares of common stock to be outstanding after this offering is based on 78,520,836 shares of common stock outstanding as of December 31, 2016 excludes the following:

- 13,059,376 shares of common stock issuable upon the exercise of outstanding stock options as of December 31, 2016 having a weighted-average exercise price of $0.49 per share;
- 582,725 shares of common stock issuable upon the exercise of outstanding warrants as of December 31, 2016 having an exercise price of $0.01 per share;
- 2,309,526 shares of common stock reserved for future issuance under our 2007 Stock Incentive Plan as of December 31, 2016;
- shares of common stock reserved for future issuance under our 2017 Stock Option Plan, which will become effective upon the completion of this offering; and
- shares of common stock reserved for future issuance under our 2017 ESPP, which will become effective upon the completion of this offering.

Furthermore, we may choose to raise additional capital through the sale of equity or convertible debt securities due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. New investors will experience further dilution if any of our outstanding options or warrants are exercised, new options are issued and exercised under our equity incentive plans or we issue additional shares of common stock, other equity securities or convertible debt securities in the future. See "Risk factors—You will incur immediate and substantial dilution as a result of this offering."

Selected financial data

You should read the following selected financial data together with our financial statements and the related notes appearing elsewhere in this prospectus and the information under the heading "Management's discussion and analysis of financial condition and results of operations." We have derived the statement of operations data for the years ended December 31, 2015 and 2016 and the balance sheet data as of December 31, 2015 and 2016 from our audited financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that should be expected in the future.

	Year ended December 31,	
	2015	2016
	(in thousands, except per share data)	
Statements of Operations Data:		
Collaboration revenue	$ 10,359	$ 25,171
Operating expenses:		
Research and development	21,353	$ 32,008
General and administrative	5,347	6,984
Total operating expenses	26,700	$ 38,992
Other income (expense):		
Other income (expense), net	(87)	121
Total other income (expense)	(87)	121
Net loss	$ (16,428)	$ (13,700)
Net loss attributable to common stockholders	$ (16,428)	$ (13,700)
Net loss per share applicable to common stockholders—basic and diluted(1)	$ (2.98)	$ (2.40)
Weighted-average number of common shares used in net loss per share attributable to common stockholders—basic and diluted(1)	5,505,652	5,700,513
Pro forma net loss per share attributable to common stockholders—basic and diluted (unaudited)		$ (0.22)
Pro forma weighted average number of common shares used in net loss per share attributable to common stockholders—basic and diluted (unaudited)		61,135,049

	As of December 31,	
	2015	2016
	(in thousands)	
Balance Sheet Data:		
Cash and cash equivalents	$ 11,534	$ 100,297
Working capital(2)	2,019	73,787
Total assets	14,409	105,087
Convertible preferred stock	36,296	94,450
Total stockholders' deficit	(42,692)	(55,619)

(1) See Note 2 to the notes to our financial statements appearing elsewhere in this prospectus for further details on the calculation of basic and diluted net loss per share and pro forma basic and diluted net loss per share applicable to common stockholders.

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

Management's discussion and analysis of financial condition and results of operations

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes appearing 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 "Risk factors" section of this prospectus, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We are a clinical stage biopharmaceutical company focused on developing antibody drug conjugates, or ADCs, that offer a clinically meaningful benefit for cancer patients with significant unmet need. We have leveraged 20 years of industry learning in the ADC field to develop proprietary technologies that enable us to design ADCs to have improved efficacy, safety and tolerability relative to existing ADC therapies. Our most advanced platform, Dolaflexin, has been used to generate a pipeline of proprietary ADC product candidates to address patient populations that are not currently amenable to treatment with traditional ADC-based therapies. Our lead product candidate, XMT-1522, is a HER2-targeted ADC currently in a Phase 1 dose escalation study in breast cancer patients, with interim safety results expected by the end of 2017. Upon the completion of dose escalation, we plan to expand clinical development of XMT-1522 into additional breast cancer, non-small cell lung cancer, or NSCLC, and gastric cancer patient populations, all of which are not addressed by existing HER2 therapies. Our second product candidate, XMT-1536, is an ADC targeting NaPi2b, an antigen broadly expressed in ovarian cancer and NSCLC. We expect XMT-1536 to enter clinical development in early 2018. Beyond our two lead product candidates, we continue to invest in our earlier stage product candidates and in our ADC technologies. In addition, we have established a strategic partnership with Takeda Pharmaceutical Company Limited, or Takeda, under which they obtained rights to XMT-1522 outside of the United States and Canada. We have also established strategic research and development partnerships with Takeda and Merck KGaA for the development and commercialization of additional ADC product candidates against a limited number of targets selected by our partners based on our Dolaflexin platform. We believe the potential of our ADC technologies, supported by our world-class management team and protected by our robust intellectual property portfolio, will allow us to develop targeted and highly tailored therapies to help cancer patients become cancer survivors.

Since inception, our operations have focused on building our platform, identifying potential product candidates, producing drug substance and drug product material for use in pre-clinical studies, conducting pre-clinical studies, including Good Laboratory Practice, or GLP, toxicology studies, manufacturing clinical trial material and commencing clinical trials, establishing and protecting our intellectual property, staffing our company and raising capital. We do not have any drugs approved for sale and have not generated any revenue from drug sales. We have funded our operations primarily through our strategic partnerships and private placements of our convertible preferred stock. From July 2012 through December 31, 2016, we have raised an aggregate of $193.7 million of gross proceeds to fund our operations, of which $95.5 million was from the issuance of convertible preferred stock and $98.2 million was received in payments from our strategic partnerships.

Since inception, we have incurred significant operating losses. Our net losses were $16.4 million and $13.7 million for the years ended December 31, 2015 and 2016, respectively. As of December 31, 2016, we had an accumulated deficit of $59.2 million. We expect to continue to incur significant expenses and operating losses over the next several years. We anticipate that our expenses will increase significantly in connection with our ongoing activities, as we:

- continue clinical development of our lead product candidate XMT-1522;
- continue IND-enabling activities and commence the planned clinical development activities for our second product candidate XMT-1536;
- continue activities to discover, validate and develop additional product candidates;
- maintain, expand and protect our intellectual property portfolio;
- hire additional research, development and general and administrative personnel; and
- incur additional costs associated with operating as a public company upon the closing of this offering.

Financial operations overview

Revenue

To date, all of our revenue has been generated from strategic partnerships. As of December 31, 2016, we have received $98.2 million in payments from our strategic partnerships with Takeda and Merck KGaA and recognized $38.2 million in revenue. We have not generated any revenue from product sales, and we do not expect to generate any revenue from product sales for the foreseeable future.

In March 2014, we entered into a collaboration agreement with Takeda for the development and commercialization of ADC product candidates utilizing Fleximer. Under this agreement, as amended, Takeda may select up to seven target antigens and has selected four target antigens to date. Takeda is responsible for generating antibodies against the target antigens and we are responsible for generating Fleximer and our proprietary payloads and conjugating this to the antibody to create the ADC product candidates. Takeda then has the exclusive right to and is responsible for the further development, manufacture and commercialization of these ADC product candidates, except that we have an option to co-develop and co-commercialize one product targeting one of Takeda's third through seventh target antigens and may exercise such option with respect to an applicable product no later than 30 days after initiation of a Phase 2 clinical study for such product or at an earlier time if Takeda intends to grants rights to such product to a third party.

In addition, in January 2016, we entered into a collaboration agreement with Takeda for the development and commercialization of XMT-1522. Under this agreement, Takeda is granted the exclusive right and responsibility to commercialize XMT-1522 outside the United States and Canada.

For the years ended December 31, 2015 and 2016, the Company recognized revenue of $5.5 million and $21.4 million, respectively, related to the Takeda agreements.

In June 2014, we entered into a collaboration agreement with Merck KGaA for the development and commercialization of ADC product candidates utilizing Fleximer for up to six target antigens. Merck KGaA is responsible for generating antibodies against the target antigens and we are responsible for generating Fleximer and our proprietary payloads and conjugating this to the antibody to create the ADC product

candidates. Merck KGaA then has the exclusive right to and is responsible for the further development and commercialization of these ADC product candidates.

For the years ended December 31, 2015 and 2016, the Company recognized revenue of $4.6 million and $3.6 million, respectively, related to the Merck KGaA agreement.

For the foreseeable future, we expect substantially all of our revenue to be generated from our collaboration agreements with Takeda and Merck KGaA and any other collaboration agreements we may enter into. Given the schedule of potential milestone payments and the uncertain nature and timing of clinical development, we cannot predict when or whether we will receive further milestone payments or any royalty payments under these collaborations.

For information about revenue recognition policy, see "Critical accounting policies and estimates—Revenue recognition."

Operating expenses

Research and development expenses

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

- employee-related expenses, including salaries, benefits, and stock-based compensation expense;
- costs of funding research and development performed by third parties that conduct research, preclinical activities, manufacturing and clinical trials on our behalf;
- laboratory supplies;
- facility costs, including rent, depreciation and maintenance expenses; and
- upfront and milestone payments under our third-party licensing agreements.

Research and development costs are expensed as incurred. Costs of certain activities, such as manufacturing, preclinical studies and clinical trials, are generally recognized based on an evaluation of the progress to completion of specific tasks. Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are deferred and capitalized. The capitalized amounts are expensed as the related goods are delivered or the services are performed.

We expect research and development costs to increase significantly for the foreseeable future as our product candidate development programs progress. There are numerous factors associated with the successful development and commercialization of any of our product candidates, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at our current stage of development. Additionally, future commercial and regulatory factors beyond our control may impact our clinical development programs and plans.

A significant portion of our research and development costs have been external costs, which we track on a program-by-program basis following nomination as a product candidate. Our internal research and development costs are primarily personnel-related costs, facility costs, including depreciation and lab consumables. We have not historically tracked all of our internal research and development expenses on a program-by-program basis as they are deployed across multiple projects under development. The following table summarizes our external research and development expenses, by program following nomination as a

development candidate, for the years ended December 31, 2015 and 2016. Pre-development candidate expenses, unallocated costs and internal research and development costs have been stated separately.

	Year ended December 31,	
(in thousands)	**2015**	**2016**
XMT-1522 external costs	$ 8,893	$ 12,107
XMT-1536 external costs	1,946	3,971
External costs for discovery stage programs and platform development	1,357	1,439
Internal research and development costs	9,157	14,491
Total research and development costs	$ 21,353	$ 32,008

The successful development of our product candidates is highly uncertain. As such, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the remainder of the development of our product candidates. We are also unable to predict when, if ever, material net cash inflows will commence from the development efforts associated with our product candidates. This is due to the numerous risks and uncertainties associated with developing drugs, including the uncertainty of:

- successful completion of preclinical studies and IND-enabling studies;
- successful enrollment in and completion of clinical trials;
- receipt of marketing approvals from applicable regulatory authorities;
- establishing commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates;
- commercializing the product candidates, if and when approved, whether alone or in collaboration with others; and
- continued acceptable safety profile of the drugs following approval.

A change in the outcome of any of these variables with respect to the development, manufacture or commercialization of any of our product candidates would significantly change the costs, timing and viability associated with the development of that product candidate.

General and administrative expenses

General and administrative expenses consist primarily of salaries and other related costs, including stock-based compensation, for personnel in executive, finance, accounting, business development, legal and human resources functions. Other significant costs include facility costs not otherwise included in research and development expenses, legal fees relating to patent and corporate matters and fees for accounting and consulting services.

We anticipate that our general and administrative expenses will increase in the future to support continued research and development activities. This will likely include increased costs related to the hiring of additional personnel, fees to outside consultants and patent costs, among other expenses. We also

anticipate increased expenses associated with being a public company, including costs for audit, legal, regulatory and tax-related services, director and officer insurance premiums and investor relations costs.

Other income (expense)

Other income (expense) consists primarily of other expense related to a foreign exchange loss in 2015 and interest income earned on cash equivalents balances.

Critical accounting policies and estimates

Our management's discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses and the disclosure of contingent assets and liabilities in our financial statements. We base our estimates on historical experience, known trends and events, and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. On an ongoing basis, we evaluate our judgments and estimates in light of changes in circumstances, facts and experience. The effects of material revisions in estimates, if any, will be reflected in the financial statements prospectively from the date of change in estimates.

While our significant accounting policies are described in more detail in the notes to our financial statements appearing elsewhere in this prospectus, we believe the following accounting policies used in the preparation of our financial statements require the most significant judgments and estimates.

Revenue recognition

We recognize revenue from collaboration arrangements in accordance with FASB ASC Topic 605, *Revenue Recognition, or* ASC 605. Accordingly, revenue is recognized when all of the following criteria are met:

- persuasive evidence of an arrangement exists;
- delivery has occurred or services have been rendered;
- the seller's price to the buyer is fixed or determinable; and
- collectibility is reasonably assured.

Amounts received prior to satisfying the revenue recognition criteria are recognized as deferred revenue in the consolidated balance sheets. Amounts expected to be recognized as revenue within the 12 months following the balance sheet date are classified as current liabilities. Amounts not expected to be recognized as revenue within the 12 months following the balance sheet date are classified as deferred revenue, net of current portion.

Multiple element arrangements

We analyze multiple element arrangements based on the guidance in FASB ASC Topic 605-25, *Revenue Recognition—Multiple Element Arrangements,* or ASC 605-25. Pursuant to the guidance in ASC 605-25, we evaluate multiple element arrangements to determine (i) the deliverables included in the arrangement and ii) whether the individual deliverables represent separate units of accounting or whether they must be accounted for as a combined unit of accounting. This evaluation requires subjective determinations and requires management to make judgments about the individual deliverables and whether such deliverables are separable from the other aspects of the contractual relationship. Deliverables are considered separate

units of accounting provided that: (i) the delivered item(s) has value to the customer on a stand-alone basis and (ii) the arrangement includes a general right of return relative to the delivered item(s), delivery or performance of the undelivered item(s) is considered probable and substantially in our control. In assessing whether an item has stand-alone value, we consider factors such as the research, manufacturing and commercialization capabilities of the collaboration partner and the availability of the associated expertise in the general marketplace. In addition, we consider whether the collaboration partner can use the deliverable(s) for their intended purpose without the receipt of the remaining element(s), whether the value of the deliverable is dependent on the undelivered item(s) and whether there are other vendors that can provide the undelivered element(s).

Options are considered substantive if, at the inception of the arrangement, we are at risk as to whether the collaboration partner will choose to exercise the option. Factors that we consider in evaluating whether an option is substantive include the cost to exercise the option, the overall objective of the arrangement, the benefit the collaborator might obtain from the arrangement without exercising the option and the likelihood the option will be exercised. When an option is considered substantive, we do not consider the option or item underlying the option to be a deliverable at the inception of the arrangement and the associated option fees are not included in the allocable consideration, assuming the option is not priced at a significant and incremental discount. Conversely, when an option is not considered substantive, we would consider the option including other deliverables contingent upon the exercise of the option, to be a deliverable at the inception of the arrangement and a corresponding amount would be included in the allocable arrangement consideration. Notwithstanding whether the option is considered substantive or non-substantive, if the price of the option includes a significant incremental discount, the discount would be included as a deliverable at the inception of the arrangement.

Allocation of arrangement consideration

Arrangement consideration that is fixed or determinable is allocated among the separate units of accounting using the relative selling price method. Then, the applicable revenue recognition criteria in ASC 605-25 are applied to each of the separate units of accounting in determining the appropriate period and pattern of recognition. We determine the selling price of a unit of accounting following the hierarchy of evidence prescribed by ASC 605-25. Accordingly, we determine the estimated selling price for units of accounting within each arrangement using vendor-specific objective evidence, or VSOE, of selling price, if available, third-party evidence, or TPE, of selling price if VSOE is not available, or best estimate of selling price, or BESP, if neither VSOE nor TPE is available. We typically use BESP to estimate the selling price, since it generally does not have VSOE or TPE of selling price for its units of accounting. Determining the BESP for a unit of accounting requires significant judgment. In developing the BESP for a unit of accounting, we consider applicable market conditions and relevant entity-specific factors, including factors that were contemplated in negotiating the agreement with the customer and estimated costs. We validate the BESP for units of accounting by evaluating whether changes in the key assumptions used to determine the BESP will have a significant effect on the allocation of arrangement consideration between multiple units of accounting.

Pattern of recognition

We recognize arrangement consideration allocated to each unit of accounting when all of the revenue recognition criteria in ASC 605 are satisfied for that particular unit of accounting. Deliverables under collaboration agreements generally consist of licenses and research and development services. License revenue is recognized when the license is delivered when it is determined to have stand-alone value from the undelivered elements of the arrangement. If the license does not have stand-alone value, the amounts

allocated to the license option will be combined with the related undelivered items as a single unit of accounting. The revenue recognition of a combined unit of accounting typically follows the pattern of revenue of the last delivered item in the combined accounting unit.

We recognize the amounts associated with research and development services and other service related deliverables ratably over the associated period of performance. If there is no discernable pattern of performance or objectively measureable performance measures do not exist, then we recognize revenue under the arrangement on a straight line basis over the period we are expected to complete its performance obligations. Conversely, if the pattern of performance in which the service is provided to the customer can be determined and objectively measurable performance exists, then we recognize revenue under the arrangement using the proportional performance method.

We recognize revenue associated with license options upon exercise of the option, if the underlying license has standalone value from the other deliverables to be provided subsequent to delivery of the license. If the license does not have standalone value, the amounts allocated to the license option will be combined with the related undelivered items as a single unit of accounting.

Revenue recognized is limited to the lesser of the cumulative amount of payments received of the cumulative revenue earned determined using the straight line method or proportional performance, as applicable, as of the period end date.

Recognition of milestones and royalties

At the inception of each arrangement that includes milestone payments, we evaluate whether each milestone is substantive and at-risk. This evaluation includes an assessment of whether (a) the consideration is commensurate with either (1) the entity's performance to achieve the milestone, or (2) the enhancement of the value of the delivered item(s) as a result of a specific outcome resulting at least in part from the entity's performance to achieve the milestone; (b) the consideration relates solely to past performance; and (c) the consideration is reasonable relative to all of the deliverables and payment terms within the arrangement. We evaluate 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. On the milestone achievement date, assuming all other revenue recognition criteria are met and the milestone is deemed substantive and at-risk, we recognize the payment as collaboration revenue. For milestones that are not deemed substantive and at-risk, where payment is reasonably assured, we recognize a cumulative adjustment to revenue based on proportion of services performed prior to the milestone payment and the remaining amount of the payment over the remaining service period.

We will recognize royalty revenue, if any, in the period of sale of the related product(s), based on the underlying contract terms, provided that the reported sales are reliably measurable and we have no remaining performance obligations, assuming all other revenue recognition criteria are met.

Collaborative arrangements

We record the elements of our collaboration agreements that represent joint operating activities in accordance with ASC Topic 808, *Collaborative Arrangements, or* ASC 808. Accordingly, the elements of the collaboration agreements that represent activities in which both parties are active participants and to which both parties are exposed to the significant risks and rewards that are dependent on the commercial success of the activities, are recorded as collaborative arrangements. We consider the guidance in ASC

Topic 605-45, *Revenue Recognition—Principal Agent Considerations, or* ASC 605-45, in determining the appropriate treatment for the transactions between us and our collaborative partner and the transactions between us and third parties. Generally, the classification of transactions under the collaborative arrangements is determined based on the nature and contractual terms of the arrangement along with the nature of the operations of the participants. To the extent revenue is generated from a collaboration, the Company will recognize its share of the net sales on a gross basis if it is deemed to be the principal in the transactions with customers, or on a net basis if it is instead deemed to be the agent in the transactions with customers, consistent with the guidance in ASC No. 605-45.

Accrued expenses

As part of the process of preparing our financial statements, we are required to estimate our accrued expenses as of each balance sheet date. This process involves reviewing open contracts and purchase orders, communicating with our 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 the actual cost. The majority of our service providers invoice us monthly in arrears for services performed or when contractual milestones are met. We make estimates of our accrued expenses as of each balance sheet date based on facts and circumstances known to us at that time. We periodically confirm the accuracy of our estimates with the service providers and make adjustments if necessary. The significant estimates in our accrued expenses include the costs incurred for services performed by our vendors in connection with activities for which we have not yet been invoiced.

We record our expenses related to research and development activities based upon our estimates of the services received and efforts expended pursuant to quotes and contracts with vendors that conduct research and development on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the research and development expense. In accruing service fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from our estimate, we adjust the accrual or prepaid accordingly. Nonrefundable advance payments for goods and services that will be used in future research and development activities are expensed when the activity has been performed or when the goods have been received rather than when the payment is made.

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, it could result in us reporting amounts that are too high or too low in any particular period. To date, there have been no material differences between our estimates of such expenses and the amounts actually incurred.

Stock-based compensation

We account for stock-based awards in accordance with ASC Topic 718, *Compensation—Stock Compensation*, or ASC 718. ASC 718 requires all stock-based compensation awards to employees, including grants of restricted stock and stock options, to be recognized as expense in the statements of operations based on their grant date fair values. We estimate the fair value of options granted using the Black-Scholes option pricing model.

The Black-Scholes option pricing model requires the input of certain subjective assumptions, including (1) the expected stock price volatility, (2) the calculation of expected term of the award, (3) the risk-free interest rate, and (4) the expected dividend yield. Due to the lack of a public market for 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 similar companies that are publicly traded. We calculate historical volatility based on a period of time commensurate with the expected term. We compute expected volatility based on the historical volatility of a representative group of companies with similar characteristics to us, including their stages of product development and focus on the life science industry. We use the simplified method as prescribed by the Securities and Exchange Commission's Staff Accounting Bulletin No. 107, *Share-Based Payment*, to calculate the expected term for options granted to employees as we do not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term. For options granted to non-employees, we utilize the contractual term of the arrangement as the basis for the expected term. We determine the risk-free interest rate based on a treasury instrument with the term consistent with the expected term of the stock options. We use an assumed dividend yield of zero as we have never paid dividends and do not have current plans to pay any dividends on common stock.

The weighted-average assumptions used in the Black-Scholes option pricing model to determine the fair value of stock options granted to employees and directors were as follows:

	Year ended December 31,	
	2015	2016
Risk-free interest rate	2.0%	1.5%
Expected dividend yield	—%	—%
Expected term (years)	6.25	6.25
Expected stock price volatility	61%	69%

We expense the fair value of stock-based awards granted to employees and directors on a straight-line basis over the associated service period, which is generally the vesting period. We measure stock-based compensation awards granted to non-employees at fair value as the awards vest and recognize the resulting value as stock-based compensation expense during the period the related services are rendered. At the end of each reporting period prior to completion of the service, we re-measure the unvested portion of these awards.

The amount of stock-based compensation expense recognized during a period is based on the value of the portion of the awards that are expected to vest. For awards granted to employees, forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The term "forfeitures" is distinct from "cancellations" or "expirations" and represents only the unvested portion of the surrendered option. We evaluate our forfeiture rate at each reporting period. Ultimately, the actual expense recognized over the vesting period will be for only those options that vest.

The following table presents the grant dates, numbers of underlying shares of common stock and the per share exercise prices of stock options granted between January 1, 2015 and the date of this prospectus, along with the fair value per share utilized to calculate stock-based compensation expense:

Date of issuance	Number of shares	Exercise price of award per share(1)	Fair value of common stock per share on grant date	Per share estimated fair value of award(2)(3)
5/8/2015	3,955,889	$ 0.34	$ 0.34	$ 0.20
6/12/2015	2,503,229	$ 0.34	$ 0.34	$ 0.20
9/9/2015	228,000	$ 0.34	$ 0.34	$ 0.20
12/17/2015	307,075	$ 0.34	$ 0.34	$ 0.20
5/6/2016	1,057,500	$ 0.42	$ 0.42	$ 0.26
8/30/2016	2,263,708	$ 0.91	$ 0.91	$ 0.58
9/16/2016	150,000	$ 0.91	$ 0.91	$ 0.58
12/29/2016	644,000	$ 1.11	$ 1.11	$ 0.69
1/9/2017	235,000	$ 1.11	$ 1.11	$ 0.69
3/3/2017	198,410	$ 1.55	$ 1.55	$ 0.97
3/14/2017	1,559,000	$ 1.55	$ 1.55	$ 0.97

(1) The Exercise Price of Award per Share represents the fair value of our common stock on the date of grant, as determined by our board of directors, after taking into account our most recently available contemporaneous valuations of our common stock as well as additional factors that may have changed since the date of such contemporaneous valuation through the date of grant.

(2) The Per Share Estimated Fair Value of Award reflects the weighted average fair value of options as estimated at the date of grant using the Black-Scholes option-pricing model.

(3) For the purposes of recording stock-based compensation for grants of options to non-employees, we measure the fair value of the award on the service completion date (vesting date). At the end of each reporting period prior to completion of the services, we re-measure the value of any unvested portion of the award based on the then-current fair value of the award and adjust expense accordingly.

Stock-based compensation totaled approximately $0.3 million and $0.7 million for the years ended December 31, 2015 and 2016, respectively. As of December 31, 2016, we had $2.5 million of unrecognized compensation expense related to stock option awards, which are expected to be recognized over weighted-average remaining vesting periods of approximately 3.2 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 additional headcount.

Determination of fair value of common stock on grant dates

We are a private company with no active public market for our common stock. Therefore, we have periodically determined the estimated per share fair value of our common stock at various dates using contemporaneous valuations 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*, or the Practice Aid. Once a public trading market for our common stock has been established in connection with the completion of this offering, it will no longer be necessary for us to estimate the fair value of our common stock in connection with our accounting for stock options and restricted stock, as the fair value of our common stock will be its trading price on The NASDAQ Global Market.

For financial reporting purposes, we performed common stock valuations, with the assistance of a third-party specialist, as of February 2, 2015, February 2, 2016, June 14, 2016, November 28, 2016 and January 30, 2017 which resulted in valuations of our common stock of $0.34, $0.42, $0.91, $1.11 and $1.55

per share, respectively. In conducting the valuations, we considered all objective and subjective factors that we believed to be relevant for each valuation conducted, including our best estimate of our business condition, prospects and operating performance at each valuation date. Within the valuations performed, a range of factors, assumptions and methodologies were used. The significant factors included:

- the lack of an active public market for our common and our convertible preferred stock;
- the prices of shares of our convertible preferred stock that we had sold to outside investors in arm's length transactions, and the rights, preferences and privileges of that convertible preferred stock relative to our common stock;
- our results of operations, financial position and the status of our research and pre-clinical development efforts;
- the material risks related to our business;
- our business strategy;
- the market performance of publicly traded companies in the life sciences and biotechnology sectors;
- the likelihood of achieving a liquidity event for the holders of our common stock, such as an initial public offering, or IPO, or sale of the Company given prevailing market conditions; and
- any recent contemporaneous valuations of our common stock prepared in accordance with methodologies outlined in the Practice Aid.

There are significant judgments and estimates inherent in the determination of the fair value of our common stock. These estimates and assumptions include a number of objective and subjective factors, including external market conditions, the prices at which we sold shares of preferred stock, the superior rights and preferences of securities senior to our common stock at the time of, and the likelihood of, achieving a liquidity event, such as an IPO or sale. Significant changes to the key assumptions used in the valuations could result in different fair values of common stock at each valuation date.

If we had made different assumptions, our stock-based compensation expense, net loss and net loss per share attributable to common stockholders could have been significantly different.

Common stock valuation methodologies

Our contemporaneous common stock valuations were prepared in accordance with the guidelines in the Practice Aid, which prescribes several valuation approaches for determining the value of an enterprise, such as the cost, market and income approaches, and various methodologies for allocating the value of an enterprise to its capital structure and specifically the common stock.

Our common stock valuations were prepared using the hybrid method. The hybrid method is a hybrid between the probability-weighted expected return method, or PWERM and the option-pricing method, or OPM. The hybrid method estimates the probability-weighted average value across multiple scenarios using the OPM to allocated equity value within at least one of those scenarios.

Methods used to allocate our enterprise value to classes of securities. 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. The methods we considered consisted of the following:

OPM. The OPM treats common stock and convertible preferred stock as call options on the total equity value of a company, with exercise prices based on the value thresholds at which the allocation among the various holders of a company's securities changes. Under this method, the common stock has value only if the funds available for distribution to stockholders exceed the value of the liquidation preferences at the time of a liquidity event, such as a strategic sale or merger. The common stock is modeled as a call option on the underlying equity value at a predetermined exercise price. In the model, the exercise price is based on a comparison with the total equity value rather than, as in the case of a regular call option, a comparison with a per share stock price. Thus, common stock is considered to be a call option with a claim on the enterprise at an exercise price equal to the remaining value immediately after the convertible preferred stock liquidation preference is paid.

The OPM uses the Black-Scholes option-pricing model to price the call options. This model defines the securities' fair values as functions of the current fair value of a company and uses assumptions, such as the anticipated timing of a potential liquidity event and the estimated volatility of the equity securities.

PWERM. Under the PWERM methodology, the fair value of common stock is estimated based upon an analysis of future values for the company, assuming various outcomes. The common stock value is based on the probability-weighted present value of expected future investment returns considering each of the possible outcomes available as well as the rights of each class of stock. The future value of the common stock under each outcome is discounted back to the valuation date at an appropriate risk-adjusted discount rate and probability weighted to arrive at an indication of value for the common stock.

Hybrid method. The hybrid method is a PWERM where the equity value in one of the scenarios is calculated using an OPM. In the hybrid method used by us, we considered two types of future-event scenarios: an IPO and an unspecified liquidity event. The equity value for the IPO scenario was determined using the guideline public company, or GPC, method under the market approach. The equity value for the unspecified liquidity event scenario was determined using the GPC method or a back-solve method. The relative probability of each type of future-event scenario was determined based on an analysis of market conditions at the time, including then-current IPO valuations of similarly situated companies, and our expectations as to the timing and likely prospects of the future-event scenarios.

In our application of the GPC method, we considered publicly traded companies in the biopharmaceutical industry that recently completed IPOs as indicators of our estimated future value in an IPO. We then discounted that future value back to the valuation date at an appropriate risk-adjusted discount rate.

When appropriate, we used a hybrid backsolve method to reconcile the equity values assumed for the IPO and OPM scenarios to the equity value indicated by a transaction in our preferred shares.

In the OPM scenario, the assumed volatility factor was based on the historical trading volatility of our publicly traded peer companies. At each valuation date, a determination was made by us as to the appropriate volatility to be used, considering such factors as the expected time to a liquidity event and our stage of development.

For each of the scenarios in the hybrid method, we applied a discount for lack of marketability to the common stock to account for the lack of access to an active public market.

Results of operations

Comparison of years ended December 31, 2015 and 2016

The following table summarizes our results of operations for the years ended December 31, 2015 and 2016, together with the changes in those items:

(in thousands)	Year ended December 31, 2015	2016	Dollar change
Collaboration revenue	$ 10,359	$ 25,171	$ 14,812
Operating expenses:			
Research and development	21,353	32,008	10,655
General and administrative	5,347	6,984	1,637
Total operating expenses	26,700	38,992	12,292
Other income (expense), net	(87)	121	208
Total other income (expense)	(87)	121	208
Net loss	$ (16,428)	$ (13,700)	$ 2,728

Collaboration revenue

The increase in collaboration revenue from $10.4 million during the year ended December 31, 2015 to $25.2 million during the comparable period of 2016 is primarily due to the Company's Takeda agreements executed in January 2016.

Research and development expense

Research and development expense increased by $10.7 million from $21.4 million for the year ended December 31, 2015 to $32.0 million for the year ended December 31, 2016, an increase of 50%. The following table summarizes our research and development expenses for the years ended December 31, 2015 and 2016:

(in thousands)	Year ended December 31, 2015	2016	Dollar change
Employee compensation	$ 6,011	$ 9,194	$ 3,183
External research and development	12,014	15,630	3,616
External clinical and regulatory	182	1,887	1,705
Lab consumables	1,545	2,489	944
Facilities costs	1,362	2,266	904
Depreciation	239	542	303
Total research and development expenses	$ 21,353	$ 32,008	$ 10,655

The increase in research and development expense was primarily attributable to the following:

- approximately $3.2 million in increased employee compensation and $0.9 million in increased lab consumables primarily due to an increase in headcount as our programs advanced towards clinical trials;

- approximately $3.6 million in increased external research and development expenses for external IND-enabling pre-clinical and toxicology studies as well as the commencement of manufacturing activities for our two lead programs;

- approximately $1.7 million in increased external clinical and regulatory expenses due to the commencement of our first in-human trial for our lead candidate XMT-1522; and

- approximately $0.9 million in increased facility costs due to a new lease for additional office and lab space.

We expect our research and development expenses to increase as we continue our clinical development of XMT-1522, commence clinical development of XMT-1536, if preclinical studies are successful, and continue to advance our preclinical product candidate pipeline and invest in improvements in our ADC technologies.

General and administrative expense

General and administrative expense increased by $1.6 million from $5.3 million during the year ended December 31, 2015 to $7.0 million for the year ended December 31, 2016, an increase of 31%. The following table summarizes our general and administrative expenses for the years ended December 31, 2015 and 2016:

	Year ended December 31,		Dollar
(in thousands)	**2015**	**2016**	**change**
Employee compensation	$ 1,946	$ 2,874	$ 928
Consulting and professional services	2,248	2,664	416
Facilities	240	400	160
Other	913	1,046	133
Total general and administrative expenses	$ 5,347	$ 6,984	$ 1,637

The increase in general and administrative expense was primarily attributable to the following:

- approximately $0.9 million in increased personnel costs primarily due to additional headcount as we build the infrastructure to support the growth of the research and development organization and advance our lead programs towards clinical trials; and

- approximately $0.4 million in increased professional fees, including external patent and corporate legal fees, corporate communications and public relations costs.

We expect that our general and administrative expense will increase in future periods as we expand our operations and incur additional costs in connection with being a public company. These increases will likely include legal, auditing and filing fees, additional insurance premiums and general compliance and consulting expenses.

Other income (expense), net

Other income (expense) was $(0.1) million for the year ended December 31, 2015 compared to $0.1 million for the year ended December 31, 2016. The change in other income (expense) was primarily related to the recognition of interest income in the year ended December 31, 2016 due to higher cash equivalents balances.

Liquidity and capital resources

Sources of liquidity

We have financed our operations from July 2012 to date primarily through gross proceeds of $95.5 million from private placements of our convertible preferred stock and proceeds of $98.2 million from our strategic partnerships. As of December 31, 2016, we had cash and cash equivalents of $100.3 million.

Cash flows

The following table provides information regarding our cash flows for the years ended December 31, 2015 and 2016:

	Year ended December 31,	
(in thousands)	**2015**	**2016**
Net cash (used in) provided by operating activities	$ (9,636)	$ 31,588
Net cash used in investing activities	(783)	(1,084)
Net cash provided by financing activities	9,960	58,259
Increase (decrease) in cash and cash equivalents	$ (459)	$ 88,763

Net cash (used in) provided by operating activities

Net cash used in operating activities for the year ended December 31, 2015 was $9.6 million as compared to net cash provided by operating activities of $31.6 million during the year ended December 31, 2016. We incurred losses during both periods, however the 2016 operating loss was offset by an increase in deferred revenue of $43.2 million primarily from the 2016 Takeda agreements.

Net cash used in investing activities

Net cash used in investing activities was $0.8 million during the year ended December 31, 2015 compared to $1.1 million during the year ended December 31, 2016. Net cash used in investing activities for the years ended December 31, 2015 and 2016 consisted primarily of purchases of property and equipment. The increase was primarily due to purchases of laboratory equipment to support additional headcount.

Net cash provided by financing activities

Net cash provided by financing activities was $10.0 million during the year ended December 31, 2015 compared to $58.3 million during the year ended December 31, 2016. The cash provided by financing activities during both periods primarily resulted from proceeds received from Series B-1 in 2015 and Series B-1 and C-1 in 2016 private placements of our convertible preferred stock.

Funding requirements

We expect our expenses to increase in connection with our ongoing activities, particularly as we continue the research and development of, initiate clinical trials of, and seek marketing approval for, our product candidates. In addition, if we obtain marketing approval for any of our product candidates, we expect to incur significant commercialization expenses related to drug sales, marketing, manufacturing and distribution to the extent that such sales, marketing and distribution are not the responsibility of potential collaborators. Furthermore, upon the closing of this offering, we expect to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive

terms, we would be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.

We expect that the net proceeds from this offering, together with our existing cash and cash equivalents will enable us to fund our operating expenses and capital expenditure requirements through at least the next months. Our future capital requirements will depend on many factors, including:

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

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

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, continuation of existing partnerships and the creation of new strategic partnerships and licensing arrangements. We do not have any committed external source of funds outside of those to be earned in connection with our agreements with Merck KGaA and Takeda, if development activities are successful under those agreements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

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

Contractual obligations

The following table summarizes our significant contractual obligations as of payment due date by period at December 31, 2016:

(in thousands)	Total	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 years
Operating lease commitments(1)	$ 4,413	1,940	2,473	—	—

(1) Represents future minimum lease payments under our non-cancelable operating leases, which expire through March 2019. The minimum lease payments above do not include any related common area maintenance charges or real estate taxes.

We enter into agreements in the normal course of business with contract research organizations for clinical trials and clinical supply manufacturing and with vendors for pre-clinical research studies, and other services and products for operating purposes. We have not included these payments in the table of contractual obligations above since the contracts are cancelable at any time by us, generally upon 30 days prior written notice to the vendor. Milestone payments associated with our license agreements have not been included in the above table of contractual obligations as we cannot reasonably estimate if or when they will occur. We expect to become obligated to make milestone payments of approximately $2.8 million through mid-2018 in connection with development of XMT-1522 and XMT-1536. In addition, total future milestones under our agreements with Adimab and Recepta are $92.0 million and are not reflected in the table above.

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 under applicable Securities and Exchange Commission rules.

Quantitative and qualitative disclosures about market risk

We are exposed to market risk-related to changes in interest rates. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because our investments, including cash and cash equivalents, are in a money market fund that invests in U.S. Treasury obligations.

We are currently not exposed to market risk related to changes in foreign currency exchange rates, but we may contract with vendors that are located Asia and Europe and may be subject to fluctuations in foreign currency rates at that time.

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation had a material effect on our business, financial condition or results of operations during the years ended December 31, 2015 and 2016.

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," or an EGC, can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, or the Securities Act, for complying with new or revised accounting standards. Thus, an EGC 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.

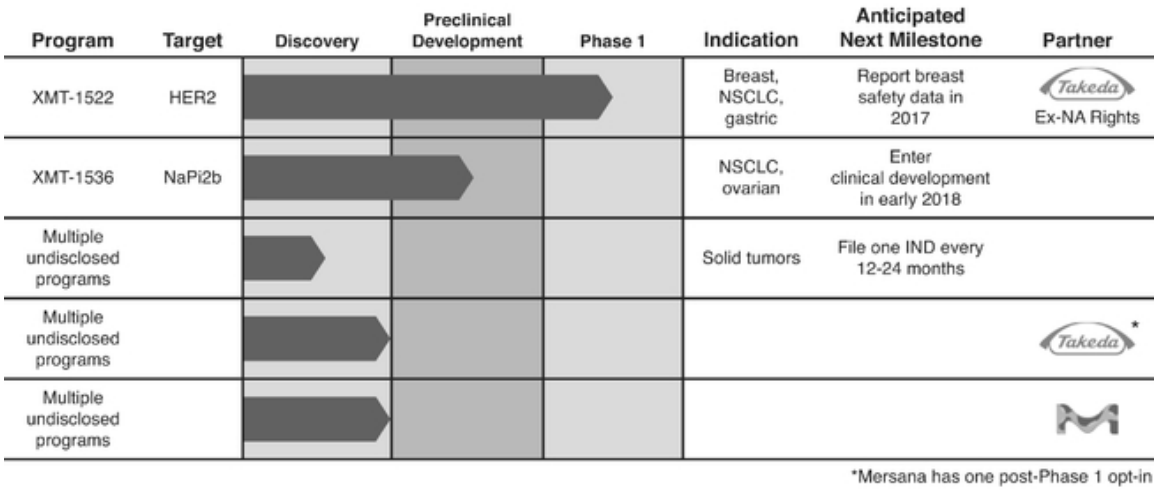
We are in the process of evaluating the benefits of relying on other exemptions and reduced reporting requirements under the JOBS Act. Subject to certain conditions, as an EGC, we intend to rely on certain of these exemptions, including without limitation, (i) providing an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and (ii) complying with any requirement that may be adopted by the Public Company Accounting Oversight Board, or PCAOB, regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis. We will remain an EGC until the earlier of (i) the last day of the fiscal year in which we have total annual gross revenues of $1 billion or more; (ii) the last day of the fiscal year following the fifth anniversary of the date of the completion of this offering; (iii) the date on which we have issued more than $1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the Securities and Exchange Commission.

Business

Mersana Therapeutics

Overview

We are a clinical stage biopharmaceutical company focused on developing antibody drug conjugates, or ADCs, that offer a clinically meaningful benefit for cancer patients with significant unmet need. We have leveraged 20 years of industry learning in the ADC field to develop proprietary technologies that enable us to design ADCs to have improved efficacy, safety and tolerability relative to existing ADC therapies. Our most advanced platform, Dolaflexin, has been used to generate a pipeline of proprietary ADC product candidates to address patient populations that are not currently amenable to treatment with traditional ADC-based therapies. Our lead product candidate, XMT-1522, is a HER2-targeted ADC currently in a Phase 1 dose escalation study in breast cancer patients, with interim safety results expected by the end of 2017. Upon the completion of dose escalation, we plan to expand clinical development of XMT-1522 into additional breast cancer, non-small cell lung cancer, or NSCLC, and gastric cancer patient populations, all of which are not addressed by existing HER2 therapies. Our second product candidate, XMT-1536, is an ADC targeting NaPi2b, an antigen broadly expressed in ovarian cancer and NSCLC. We expect XMT-1536 to enter clinical development in early 2018. Beyond our two lead product candidates, we continue to invest in our earlier stage product candidates and in our ADC technologies. In addition, we have established a strategic partnership with Takeda Pharmaceutical Company Limited, or Takeda, under which they obtained rights to XMT-1522 outside of the United States and Canada. We have also established strategic research and development partnerships with Takeda and Merck KGaA for the development and commercialization of additional ADC product candidates against a limited number of targets selected by our partners based on our Dolaflexin platform. We believe the potential of our ADC technologies, supported by our world-class management team and protected by our robust intellectual property portfolio, will allow us to develop targeted and highly tailored therapies to help cancer patients become cancer survivors. Our current product condidates, all based on our Dolaflexin platform, are summarized in the chart below:



ADCs are an established therapeutic approach in oncology used to selectively deliver a highly potent chemotherapeutic payload directly to tumors thereby minimizing toxicity to surrounding healthy tissue. An ADC consists of an antibody attached to a chemotherapeutic "payload" via a molecule known as a linker. The antibody provides targeting capability against a distinct antigen expressed preferentially on a tumor

cell, which restricts the ADC binding only to those cells that express the target antigen. Upon binding to the tumor cell antigen, the ADC is internalized by the tumor cell and the payload is released, killing the cell in a targeted manner. Currently, there are two approved and broadly available ADCs, (i) brentuximab vedotin marketed by Seattle Genetics, Inc., or Seattle Genetics, and Takeda and (ii) ado-trastuzumab emtansine marketed by Genentech, Inc., or Genentech, a member of the Roche Group, or Roche, which achieved combined worldwide net sales in excess of $1 billion in 2016. There are also approximately 60 ADCs presently in development in over 300 clinical studies, the vast majority of which are focused on the treatment of cancer. We believe the commercial success of previously approved ADCs, combined with the number of ADCs currently in clinical development, demonstrates the potential of ADCs to become a mainstay of cancer treatment.

Despite the promise of ADCs, companies in the field have faced certain challenges in developing product candidates that achieve the optimal therapeutic index, or the balance between efficacy and tolerability. These challenges are characterized as follows:

- **Linker stability**: Linkers must be stable in the bloodstream to ensure that free payload is not released into circulation prior to delivery into the tumor. Free payload in circulation causes toxicity. Efforts to design better linkers to increase stability have, in turn, reduced the efficiency of payload release once the ADC is internalized in the tumor cell, resulting in decreased efficacy.

- **Drug-to-antibody ratio**: Increases in the number of payload molecules delivered per antibody internalization event increases potency. However, the drug-to-antibody ratio, or DAR, has typically been limited to three to four payload molecules per antibody due to aggregation, poor pharmacokinetics and loss of drug-like properties of the ADC at levels above this threshold. Other attempts to increase efficacy have involved the introduction of ultra-potent payloads, however these efforts appear to face safety and tolerability challenges, necessitating even further reduced DAR to maintain acceptable pharmacokinetics and drug-like properties.

- **Target antigen expression level**: Tumor cells typically require a threshold number of payload molecules to be internalized in order to kill the cell. Antigens with lower levels of expression have proven less desirable as targets for ADCs, as a result of fewer binding, internalization and payload delivery events to drive cell-killing activity. In turn, this has limited the number of cancers amenable to treatment with ADC-based approaches, as the use of ADCs requires antigen targets to be highly expressed on tumor cells.

- **Bystander effect**: A released payload that is able to diffuse into and kill neighboring tumor cells, irrespective of antigen expression, is known as having a "bystander effect." While the bystander effect has been shown to improve efficacy by killing adjacent tumor cells, it is also associated with indiscriminate healthy cell killing, which leads to dose limiting toxicities, such as neutropenia.

Our proprietary and highly differentiated Dolaflexin platform is designed to overcome these challenges and achieve improved efficacy, safety and tolerability, hence improving the therapeutic index, compared to traditional ADC technologies. Unlike traditional ADCs, where the payload is attached directly to the antibody via a linker, our ADCs feature antibodies attached to multiple units of Dolaflexin, which each consist of our Fleximer polymer scaffold conjugated to several proprietary auristatin payload molecules. As a result, we believe our ADCs offer the following benefits relative to traditional ADCs:

- **Improved linker stability**: Fleximer is a biodegradable, highly biocompatible and highly water soluble polymer scaffold. The Fleximer creates a highly hydrophilic microenvironment, which protects the linker and the payload and results in a highly stable ADC in circulation. We have demonstrated in non-human

primates that an ADC utilizing Dolaflexin is highly stable, with less than 0.05% of free payload detected in circulation.

- **Higher drug-to-antibody ratio**: The hydrophilic microenvironment of Fleximer shields the highly hydrophobic payload molecules and allows the ADC to achieve a DAR of 12 to 15 while maintaining acceptable pharmacokinetics and drug-like properties in animal models. In multiple preclinical models, our lead product candidates, XMT-1522 and XMT-1536, both of which are based on the Dolaflexin platform, have demonstrated that higher DAR results in a significant increase in efficacy relative to traditional ADCs administered at comparable or even higher dose levels.

- **Expanded range of addressable target antigen expression levels**: As a result of higher DAR, our ADCs can deliver more payload to the tumor cell per antibody binding and internalization event. As a result, in preclinical models we have shown efficacy against tumors with lower levels of antigen expression. Our lead product candidates, XMT-1522 and XMT-1536, have demonstrated efficacy in animal models of low antigen-expressing tumors where alternative ADC platforms have shown either weak or no efficacy.

- **Controlled bystander effect**: We have built into our proprietary auristatin payload, used in the Dolaflexin platform, a proprietary pharmacology that allows us to capture the benefits of the bystander effect while minimizing potential toxicities to healthy tissue. Specifically, the initial payload released from the ADC in the tumor is capable of a bystander effect. However, as the payload is metabolized over time, it loses the ability to diffuse into neighboring cells and becomes trapped in the cell into which it has diffused, preventing further diffusion into healthy tissues.

The benefits of the Dolaflexin platform have resulted in tolerable doses in our preclinical models well in excess of the efficacious doses. Based on these findings, we have advanced XMT-1522 into Phase 1 development, and we expect to advance XMT-1536 into clinical development by early 2018. We believe these advantageous characteristics of our Dolaflexin platform provide a substantial opportunity to develop clinically meaningful ADC therapies with potential to address a broader range of cancers than traditional ADC-based approaches.

We have assembled a management team with extensive, relevant experience, including specific ADC experience, at leading pharmaceutical companies such as Millennium Pharmaceuticals, Inc., Takeda, Sanofi S.A., Merck & Co., Inc., Biogen, Inc., MedImmune, Inc. and Bayer AG. We are supported by our board of directors and scientific advisory board, who offer complementary experience in drug discovery and development, as well as expertise in building public companies, management and business development. Our key investors include funds managed by New Enterprise Associates, Arrowpoint Partners, Cormorant Asset Management, F-Prime Capital Partners, Rock Springs Capital and Wellington Management, as well as Pfizer and our strategic partner, Takeda. We believe that our highly differentiated platform, together with the team we have assembled, positions us well to generate best-in-class ADCs with the potential to transform the lives of cancer patients.

Our strategy

Our goal is to become a leading oncology company by leveraging the potential of our innovative and differentiated ADC technologies. Our strategy to achieve this goal is based on:

- **Rapidly advancing the clinical development of XMT-1522.** We have designed a robust Phase 1 study of XMT-1522 to yield data that could be sufficient to demonstrate clinical proof-of-concept in four indications beginning in the second half of 2018. If the proof-of-concept study is positive, we will utilize the data from this study, with our partner Takeda, to drive our global registration strategy. XMT-1522 is in a Phase 1 dose escalation study in breast cancer patients, and we plan to expand this into four

patient cohorts: two breast cancer, one NSCLC and one gastric cancer. We expect to release interim safety data for breast cancer by the end of 2017.

- **Moving XMT-1536 into clinical development and building a pipeline of ADCs that address the significant unmet medical needs of cancer patients.** Our second product candidate, XMT-1536, is an ADC targeting NaPi2b and has demonstrated significant anti-tumor activity in preclinical models of ovarian cancer and NSCLC. We expect XMT-1536 to enter clinical development in early 2018. We plan to utilize our proprietary ADC technology platforms and expertise to rapidly augment our pipeline in order to deliver clinically meaningful drug candidates. We plan to submit one Investigational New Drug Application, or IND, every 12 to 24 months. Under our existing strategic partnership with Takeda, we have a right to participate in the development and commercialization of one of Takeda's ADC product candidates in the United States, which we may exercise to further supplement our pipeline.

- **Expanding our ADC technology platform capabilities.** We intend to establish a leading position in the field of ADCs by continuing to advance platform innovations that further broaden the potential of our ADCs to deliver clinically meaningful benefit for cancer patients. Our areas of focus include the development of alternative scaffolds to drive homogeneity of our ADCs, alternative payloads to address additional indications and drug resistance and alternative targeting moieties to improve tumor penetration and biodistributuion. We believe these efforts may lead to improved efficacy and tolerability as well as expansion of the addressable patient population.

- **Evaluating strategic partnerships to maximize the value of our programs and platforms.** Our platform technologies, and product discovery and development capabilities, drive the potential for multiple clinically meaningful opportunities for cancer patients. In order to preserve a disciplined drug development and commercialization focus, we may choose to enter into strategic partnerships that facilitate our ability to bring differentiated product candidates to more patients. Our current partnerships with Takeda and Merck KGaA exemplify different aspects of this strategy and could be worth up to $2.1 billion to us in milestone payments plus additional royalties, if product candidates under these agreements are successfully developed and commercialized.

- **Attracting and retaining people that share our commitment to scientific excellence and patient care.** In addition to our team's deep experience with ADC science, drug development and operational management, we believe that our accomplishments are a testament to the talent and commitment of our people. Our team is driven by a shared passion to advance therapies that make a significant difference in the lives of cancer patients. We will continue to cultivate the collaborative and passionate workplace culture that has allowed us to advance this mission.

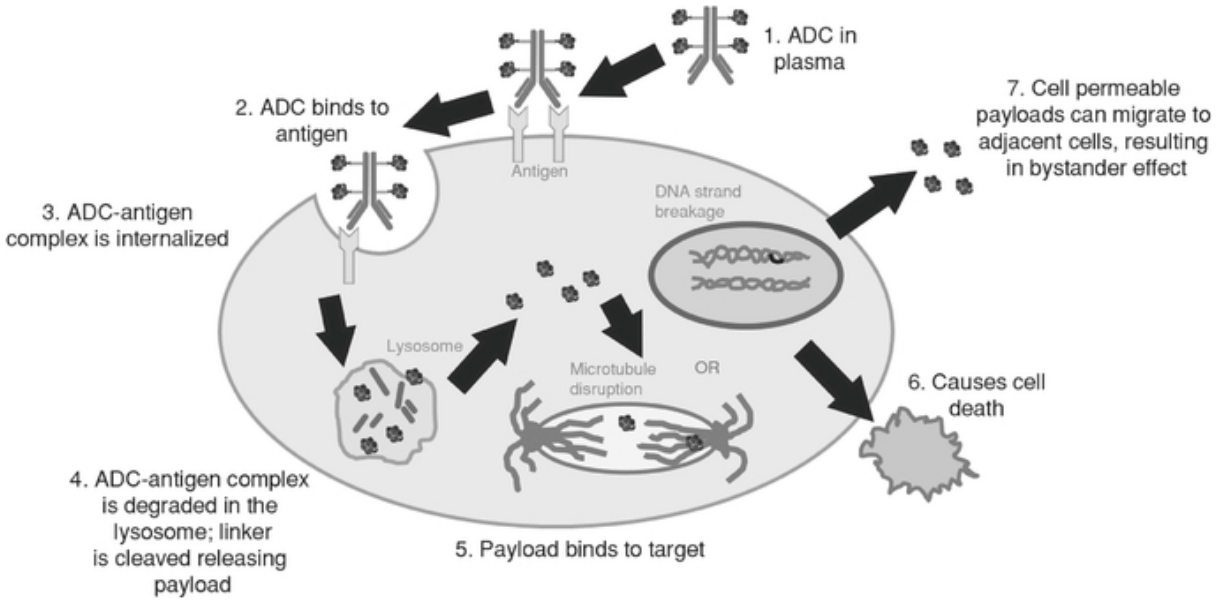
Background on antibody drug conjugates (ADCs) for cancer

Overview

ADCs for cancer traditionally consist of an antibody attached to a chemotherapeutic "payload" via a chemical known as a linker. The antibody provides targeting capability against a distinct antigen selectively expressed on a tumor cell, resulting in the ADC binding only to those cells that express the target antigen. Upon binding to the antigen, the ADC is internalized by the tumor cell and the payload is released through either cleavage of the linker or degradation of the antibody. Cell death results once the threshold level of payload has been internalized by the target cell. Figure 1 illustrates the general mechanism by which ADCs kill tumor cells. The individual components of an ADC dictate the efficacy, safety and tolerability of the treatment. Historically, ADC development has involved making compromises between features which may improve efficacy at the expense of safety and tolerability, and vice versa. The challenge of optimizing this

balance is exemplified by the dearth of approved ADC products, despite the technology having existed for over 20 years.

Figure 1.



Monoclonal antibodies

The first component of an ADC is a monoclonal antibody, which is the highly specific targeting agent enabling binding to the tumor antigen and internalization of the ADC into the tumor cell. Antibodies themselves are a well established therapeutic modality, with $85.4 billion in worldwide sales in 2015.

In the context of an ADC, two factors are considered in the selection of the antigen to which the antibody is targeted: (i) preferential expression on tumor cells with as limited as possible expression on healthy tissues and (ii) level of antigen expression on tumor cells. The amount of payload delivered to the tumor cell is related to the binding of the ADC to the antigen and internalization, and as a result, it is generally recognized that very high and consistent (or homogeneous) antigen expression throughout the tumor correlates with higher efficacy. For example, ado-trastuzumab emtansine is indicated for HER2-positive late stage metastatic breast cancer. The HER2 antigen expression levels in the tumors of these patients is very high, and it has been reported that patients with the highest levels of HER2 expression derive the most therapeutic benefit. The ability to achieve a therapeutic concentration of payload in the tumor quickly diminishes as the level of antigen expression decreases, which may explain why current ADC approaches have only demonstrated efficacy in a limited range of tumors with relatively high expression of a target antigen.

Chemotherapeutic payloads

The second component of an ADC is a chemotherapeutic payload, or cell-killing agent, too potent to be delivered as a standalone therapy. In the context of an ADC, the payload, which is conjugated to the antibody, is selectively delivered to the tumor as a result of the targeting ability of the antibody thereby limiting toxicity to healthy tissues.

The majority of payloads currently used in ADCs fall within one of two categories, based on mechanism of action: anti-tubulin agents or DNA damaging agents. Many of the ADCs in clinical development use anti-tubulin linker-payload platforms developed by ImmunoGen, Inc. (SMCC-DM1 and SPDB-DM4) and Seattle Genetics (mc-MMAF and vc-MMAE). Anti-tubulin payloads are preferentially toxic to dividing cells versus resting cells, a feature that is beneficial for ADCs where the target antigen is also expressed on healthy resting cells. Anti-tubulins typically have potencies of 0.1 to 10 nM but are not effective against certain tumors, such as colorectal. More recently, in order to increase potency and potentially expand addressable indications, the field has seen an emergence of novel DNA damaging payload classes, such as pyrrolobenzodiazepine, or PBD, dimers, with potencies 100 to 1000 times higher than the anti-tubulins. These payloads bind to the cell's DNA, leading to cell death. To date, ADCs utilizing PBD dimers have been shown to be highly potent in early clinical development, however due to toxicities, the dose and duration of these ADCs have been limited.

After internalization by the targeted tumor cell, some ADC payloads have an additional ability to passively diffuse into and kill neighboring cells. This bystander effect can be very useful in enhancing the efficacy of these ADCs in tumors with heterogeneous antigen expression by providing a mechanism to kill neighboring tumor cells which do not express the target antigen. While the bystander effect can be beneficial in terms of efficacy, it can also be detrimental in terms of tolerability, as it allows for cell-killing independent of targeting.

Chemical linkers

A third critical component of an ADC is the chemical linker used to attach the payload to the antibody, as it directly affects efficacy, safety and tolerability. Ideally, a linker provides a stable connection between the payload and the antibody in systemic circulation. Premature release of the payload in systemic circulation can cause significant off-target toxicity. For example, gemtuzumab ozogamicin, the first ADC to gain regulatory approval in 2000, was later withdrawn from the U.S. market in 2010 due to safety concerns believed to be in part a consequence of poor linker stability.

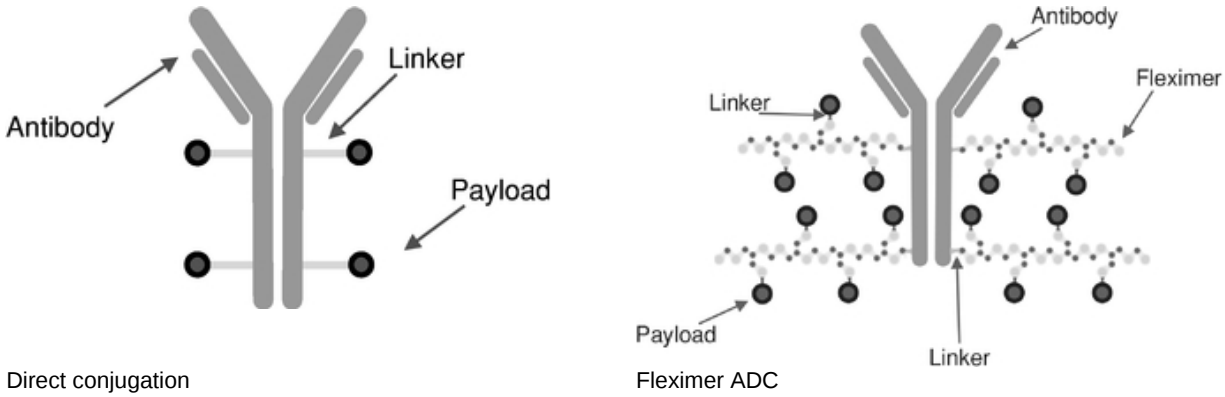
Upon internalization of the ADC by the targeted tumor cell, the linker should release the payload from the antibody to promote rapid and efficient killing of the tumor. Linkers used for ADCs fall into one of two categories: cleavable or non-cleavable. In general, cleavable linkers are designed to be stable in the circulation and to be selectively cleaved as a result of an inherent property of the tumor, such as degradation by tumor-specific enzymes. In contrast, non-cleavable linkers are resistant to this type of degradation and instead rely on the degradation of the antibody to release the payload. As a result, the released linker-payload remains attached to a fragment of the antibody, which limits the cell permeability and bystander effect. The solubility of the linker-payload combination employed also has a significant influence on the properties of the resulting ADC. Many linkers and payloads used in traditional ADCs are highly insoluble, which limit DAR to three to four due to aggregation and poor drug-like properties of ADCs. Because existing conjugation approaches use direct conjugation, the site of payload attachment can also influence the stability and performance of the ADC, as the microenvironments surrounding each attachment site can differ and affect the properties of the linker-payload.

Dolaflexin platform

Our proprietary and highly differentiated Dolaflexin platform is designed to increase the efficacy, safety and tolerability of ADCs by overcoming key limitations of existing technologies based on direct conjugation. Dolaflexin consists of Fleximer, a biodegradable, highly biocompatible, water soluble polymer, to which are attached multiple copies of our proprietary auristatin drug payload using a linker specifically optimized for

use with our polymer. The high water solubility of the Fleximer polymer compensates for the low solubility of the payload, surrounding the payload and protecting it from aggregation. Multiple copies of this Dolaflexin polymer-drug conjugate can then be attached to an antibody of choice, which significantly increases the payload capacity of the resulting ADC. As shown in the schematic in Figure 2, this approach differs from most other ADC technologies where the payload is directly conjugated to the antibody via a linker. Using the Dolaflexin platform, we have been able to generate ADCs with DAR between 12 to 15 while maintaining acceptable pharmacokinetics and drug-like properties in animal models. This represents a three to four fold increase in DAR relative to the traditional ADC approach.

Figure 2.



Direct conjugation

Fleximer ADC

Below is a summary of key advantages that we believe our proprietary Dolaflexin platform offers over other existing ADC technologies. We believe these properties will enable us to develop ADCs with an improved therapeutic index that may broaden the scope of addressable cancer patients for which ADC therapies are amenable.

- **Improved linker stability:** There are two important linkers contributing to the stability of a Dolaflexin ADC: a non-cleavable linker attaching the Fleximer to the antibody and a cleavable linker attaching the payload to the Fleximer. The Fleximer provides for a highly hydrophilic and homogeneous microenvironment that stabilizes the payload-linker in circulation. However, the cleavable nature of the payload-linker results in rapid release of the payload upon internalization into the tumor cell.

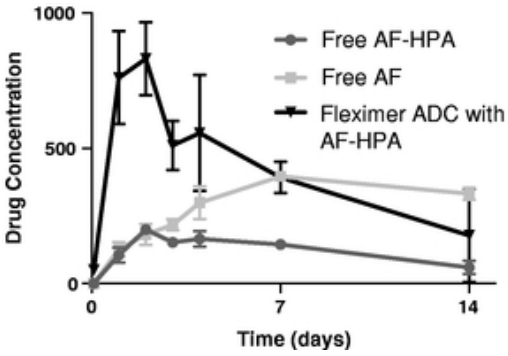
- **Higher drug-to-antibody ratio:** Dolaflexin consists of Fleximer conjugated to up to four molecules of our proprietary auristatin payload. Our ADCs typically consist of three to four Dolaflexin units attached to each antibody, which allows us to achieve significantly higher DAR compared to other ADC approaches. For example, our lead proprietary product candidates, XMT-1522 and XMT-1536, each carry between 12 to 15 payload molecules per antibody, which we believe will result in greater efficacy than traditional ADCs with a lower DAR. Importantly, Fleximer is extremely water soluble, which helps maintain the pharmacokinetics and drug-like qualities of the ADC in animal models even at relatively high DARs.

- **Expanded range of addressable antigen expression levels:** The higher DAR enabled by our Dolaflexin platform results in more chemotherapeutic payload being released into the tumor cell for every binding and internalization event. As a result, we have demonstrated in animal models that Dolaflexin ADCs have efficacy against tumors with lower levels of antigen expression where traditional ADCs have not been effective.

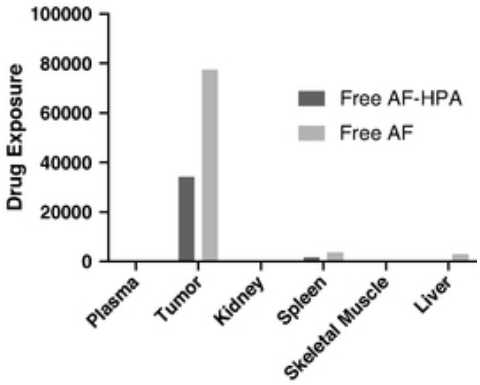
- **Controlled bystander effect:** Our proprietary auristatin chemotherapeutic drug payload has been specifically designed to maintain efficacy while improving safety and tolerability compared to payloads used in conventional ADCs. Upon internalization of the ADC into the tumor cell, cleavage of the linker occurs to release Auristatin F-hydroxypropylamide, or AF-HPA, as the primary chemotherapeutic payload. AF-HPA is a highly potent, freely cell-permeable anti-tubulin agent, which readily kills rapidly dividing tumor cells but is not toxic to non-dividing cells. Since AF-HPA is freely cell-permeable, it can diffuse into adjacent tumor cells and kill them in an antigen-independent manner through the bystander effect. However, release of AF-HPA into the systemic circulation can also lead to toxicity if taken up by normal healthy cells. To counteract this, our proprietary auristatin payload has been engineered with a safety control switch that causes AF-HPA to convert into the non-cell permeable chemotherapeutic, auristatin F, or AF, when metabolized over time inside the cell. While AF can still kill dividing cells if generated intracellularly, it is approximately 8-fold less potent than AF-HPA at killing dividing cells when outside the cell. Consistent with this, AF was significantly better tolerated than AF-HPA in rat safety studies. Figure 3 shows the accumulation of AF-HPA and its metabolite, AF, in a mouse tumor model demonstrating the conversion over time of AF-HPA to AF, the trapping of free AF in the tumor cells and its almost negligible accumulation in healthy tissues.

Figure 3. Accumulation of AF-HPA/AF in Tumor Consistent with Efficacy and Tolerability

Accumulation of Released Drugs
in Tumor Over 2 Weeks
After Dosing

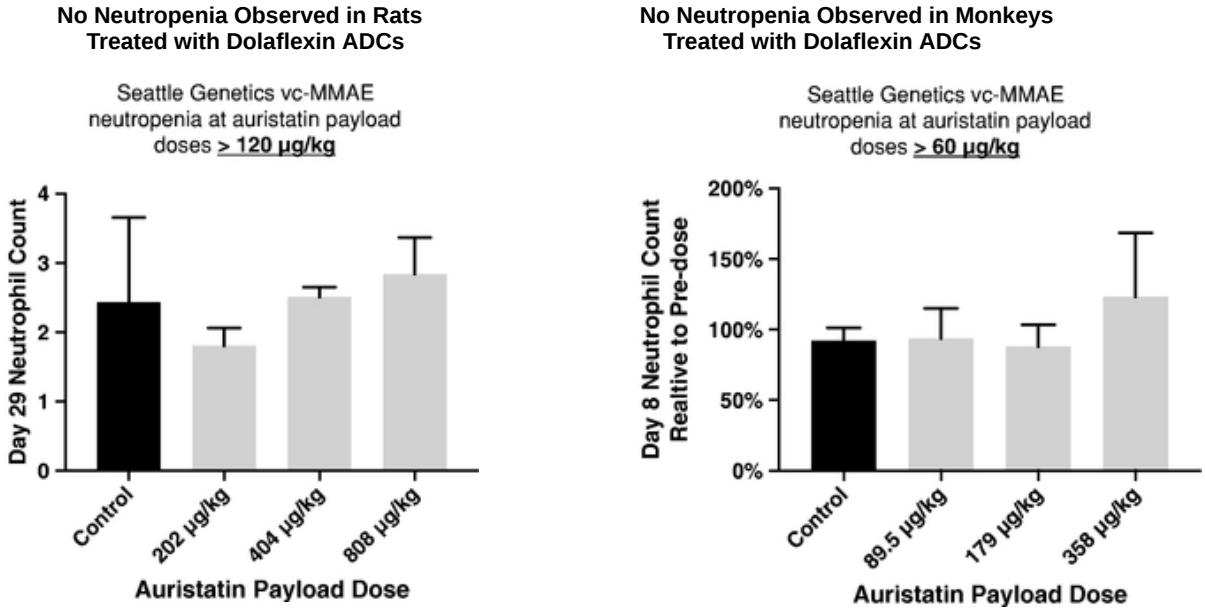


Free Drug Exposure
in Tumor and Normal Tissue Over 2 Weeks
After Dosing



The more limited exposure of free AF to healthy tissues corresponds to lower drug toxicities, such as neutropenia, seen in safety studies of Dolaflexin ADCs compared to competitor technologies (e.g., SGEN vc-MMAE). As shown in Figure 4, neutrophil counts did not decline in either rats or monkeys at Dolaflexin ADC doses above the maximum doses that can be administered of vc-MMAE ADCs, which are frequently dose-limited by neutropenia and sepsis.

Figure 4. Neutrophil Counts as a Function of Dolaflexin ADC Dose (in Auristatin Equivalents)



Our product candidates

We are leveraging our platform to develop a robust pipeline of clinically meaningful cancer therapies. Our pipeline strategy focuses on targets that have been biologically validated (either as ADCs or through another modality) and where the advantages of our platform can lead to a clinically superior therapeutic. Our lead product candidate, XMT-1522, is in Phase 1 dose escalation studies. Our second product candidate, XMT-1536, is in late preclinical studies and we expect it to enter clinical development in early 2018. A robust discovery stage pipeline supports our objective of bringing one new product candidate into clinical development every 12 to 24 months. In addition, our partners have multiple ADC product candidates leveraging our technology in late discovery. Based on plans presented to us by our partners, several of these product candidates have the potential to enter into full preclinical development in the next 12 months.

XMT-1522: our HER2-targeted ADC

Program description

Our lead product candidate, XMT-1522, is a Dolaflexin ADC targeting HER2-expressing tumors. It is currently in Phase 1 clinical development. HER2 belongs to a family of signaling molecules that are highly and preferentially expressed on the surface of various cancer cells and are known to play a role in promoting tumor cell growth. XMT-1522 is composed of a proprietary anti-HER2 antibody, selected for its advantageous internalization properties and its ability to bind to a unique epitope distinct from the epitopes of trastuzumab and pertuzumab, two approved therapies that also target HER2. The development of XMT-1522 leverages the differentiating aspects of our Dolaflexin platform to focus on HER2-expressing patient populations that have the highest unmet medical need because they are not served by the existing HER2 therapies currently on the market. We are actively recruiting and dosing breast cancer patients with a HER2 score of 1+ or greater with interim safety results expected in late 2017.

Unmet need and epidemiology

Currently approved HER2-targeted therapies are indicated only for breast or gastric cancer patients who are considered HER2-positive based on well established, Food and Drug Administration, or FDA, approved tests that rely on immunohistochemistry, or IHC, or genetic methods. Patients are classified by their level of HER2 expression on a scale ranging from 0 to 3+, with 3+ representing the highest level of HER2 expression. Patients with HER2 3+ expression or who have gene amplification that results in them having multiple copies of the HER2 gene are considered HER2-positive. There is a significantly larger population of patients with HER2 expression of 1+ or 2+ and without gene amplification, and for those patients, there are currently no approved HER2-targeted therapies in breast, gastric or other cancers.

Our development plan is supported by extensive preclinical data demonstrating XMT-1522's increased potency compared to currently marketed HER2 therapies, including against HER2 1+ and 2+ breast and gastric cancers where existing therapies are not approved and HER2 expressing breast, NSCLC and gastric cancers where existing therapies have failed. The following chart shows the initial therapeutic focus for our XMT-1522 product candidate. We are focused in areas that leverage the advantages of XMT-1522 and where patients have limited treatment options.

Indication	HER2 Status	Estimated Incidence (US & EU5)	First Registration Opportunity	Comparator Therapy
Breast Cancer	HER2 1+/2+	103,000	2nd line chemotherapy (hormone-receptor negative or hormone resistant/refractory)	Single agent cytotoxic chemotherapy
	HER2-Positive	37,000	3rd line (following trastuzumab, pertuzumab, T-DM1)	Lapatinib + capecitabine
NSCLC	HER2 2+/3+	72,000 (predominantly adenocarcinoma)	2nd line (post-platinum + PD-1)	docetaxel
Gastric Cancer	HER2-Positive	9,000	2nd line (following trastuzumab)	Cytotoxic chemotherapy
	HER2 1+/2+	8,000	2nd line	Cytotoxic chemotherapy

Among breast cancer patients, approximately 50% express HER2 at the 1+ or 2+ level without HER2 gene amplification. These patients are not eligible to receive existing HER2 therapies (trastuzumab, pertuzumab or ado-trastuzumab emtansine) and have limited other options. Initially, we are studying XMT-1522 in advanced or metastatic breast cancer patients who express HER2 at the 1+ and 2+ levels (whether hormone negative or have become hormone resistant or refractory) and have progressed on at least one line of chemotherapy. If proof-of-concept is established in this patient population, opportunities exist to move to an earlier stage of treatment in this hard-to-treat patient population. We are also planning to develop XMT-1522 for HER2 positive breast cancer patients whose tumors have progressed after treatment with other HER2 therapies, such as ado-trastuzumab emtansine and pertuzumab, and have limited other treatment options.

Among patients with NSCLC, expression of the HER2 protein at the 2+ or 3+ level has been shown to occur at a rate of approximately 20%, with as high as 26% in adenocarcinoma patients. We are developing XMT-1522 in HER2 2+ and 3+ patients who have previously been treated with a platinum-containing regimen. Unlike HER2-positive breast cancer, HER2 expression in NSCLC is not a dominant driver of tumor growth and hence HER2-targeted antibodies have failed in this setting. If proof-of-concept is established in

this population, opportunities exist to move earlier in the treatment paradigm or consider combination treatment with PD-1/PD-L1 antibodies, the emerging standard of care in front line NSCLC. Our emerging preclinical data appear to also support the potential for synergy with immune checkpoint inhibitors.

Among gastric cancer patients, approximately 15% to 20% are HER2-positive. Trastuzumab is approved for this patient population but ado-trastuzumab emtansine has failed to demonstrate a survival benefit. We are developing XMT-1522 in HER2-positive patients who have received prior therapy with trastuzumab. If proof-of-concept is established in this population, opportunities exist to address gastric cancer patients expressing HER2 at the 1+ and 2+ levels.

Clinical development plan and timeline

XMT-1522 is in a Phase 1, open label, multi-center study and is administered as an intravenous infusion once every three weeks. There are two parts to the Phase 1 study: (i) a dose escalation in breast cancer patients with a HER2 score of 1+ or greater and (ii) a dose expansion in four parallel patient cohorts. The primary objective of the dose escalation part of the study is to establish the maximum-tolerated dose and a recommended Phase 2 dose. The objective of the cohort expansion stage is to further assess tolerability at the recommended Phase 2 dose and to estimate the objective response rate and durability of response in four patient cohorts.

The dose escalation part of the study utilizes a 3+3 design with a three week evaluation period for dose limiting toxicity, or DLT. A Safety Review Committee will review the data after each dose cohort of three patients completes the DLT evaluation period and will recommend three patients be enrolled at the next dose level if a dose is reasonably well-tolerated. After the first cycle, patients may continue to receive XMT-1522 until disease progression, provided the drug is well-tolerated and patients continue to derive clinical benefit in the opinion of the investigator.

After completion of dose escalation, the expansion part of the study will be opened in four cohorts of approximately 20 patients each:

- Cohort 1: Advanced breast cancer, HER2 IHC 1+ or HER2 IHC 2+ without HER2 gene amplification
- Cohort 2: Advanced breast cancer, HER2-positive, who have received prior ado-trastuzumab emtansine
- Cohort 3: Advanced gastric cancer, HER2-positive, who have received prior trastuzumab
- Cohort 4: Advanced NSCLC, HER2 IHC 2+ or 3+, any HER2 gene amplification or mutation status who have received prior platinum-based chemotherapy

The expansion part of the study is designed to provide an initial estimate of the response rate for XMT-1522 in each cohort and the durability of the observed responses. These data will be used to support end-of-Phase 1 interactions with regulatory authorities and to inform the design of subsequent studies. We anticipate that observation of a clinically meaningful rate of durable responses in any of the cohorts could be used to support the initiation of pivotal studies to support approval in the indication.

Preclinical efficacy studies

We have studied the efficacy of XMT-1522 in xenograft as well as in patient-derived models representing diverse levels of HER2 expression and tumor types. The data are summarized in the waterfall plot below, showing the best tumor response to XMT-1522 across 15 tumor models representing six indications (Figure 5). These indications informed our clinical development plan. Each column represents an individual tumor model and measures the best overall change in tumor volume relative to the measured tumor

volume on the first day of XMT-1522 administration. A more negative value represents greater anti-tumor efficacy of XMT-1522, with a 100% reduction in tumor volume corresponding to complete regression of the tumor to the point where it was no longer measurable. In these experiments, XMT-1522 was given in doses of 3 mg/kg or below, either as a single dose on Day 0 of the experiment or in three weekly doses on Days 0, 7 and 14. Experiments were allowed to run until at least Day 60, or at least 45 days following the last administration of XMT-1522. As depicted in the graph, XMT-1522 was able to achieve complete or near-complete tumor regressions in 11 out of the 15 models. Of the 11 models that achieved complete or near-complete regression, the regressions were sustained until Day 60 in 10 of the models even in the absence of additional therapy, showing the durability of tumor regressions induced by XMT-1522 (Figure 6).

Figure 5. Waterfall Plot of Best Tumor Response to XMT-1522 in Xenograft Models

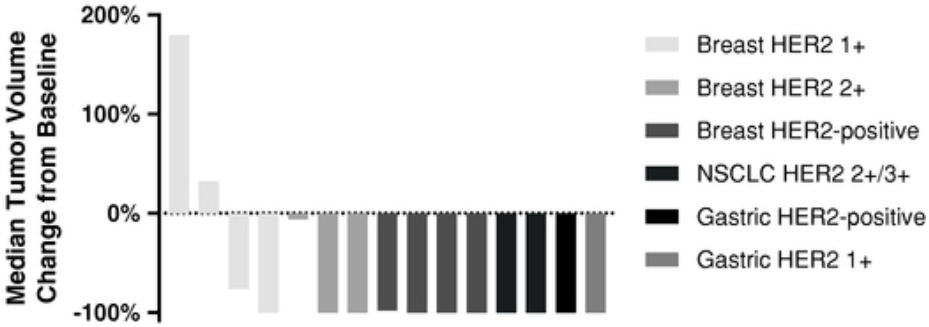
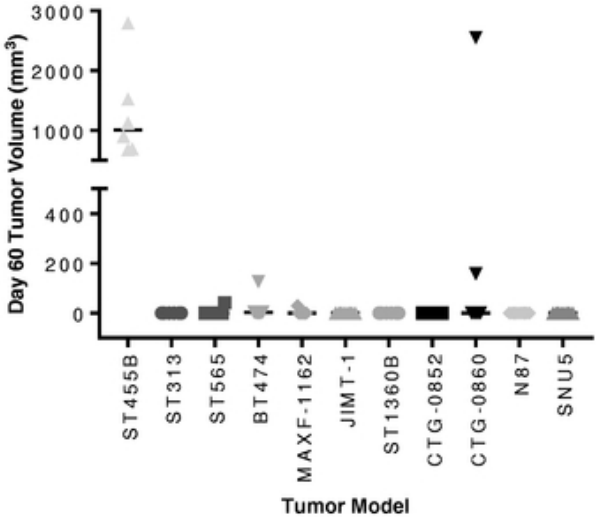
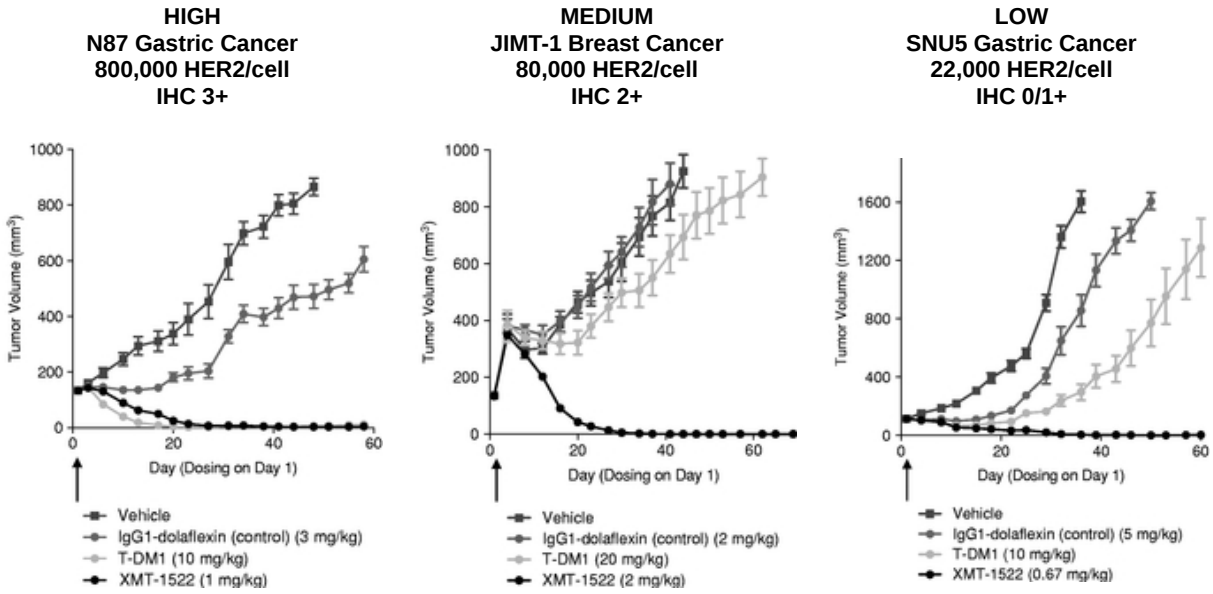


Figure 6. Day 60 Tumor Volumes in Models Achieving Complete or Near-Complete Regression After Treatment with XMT-1522



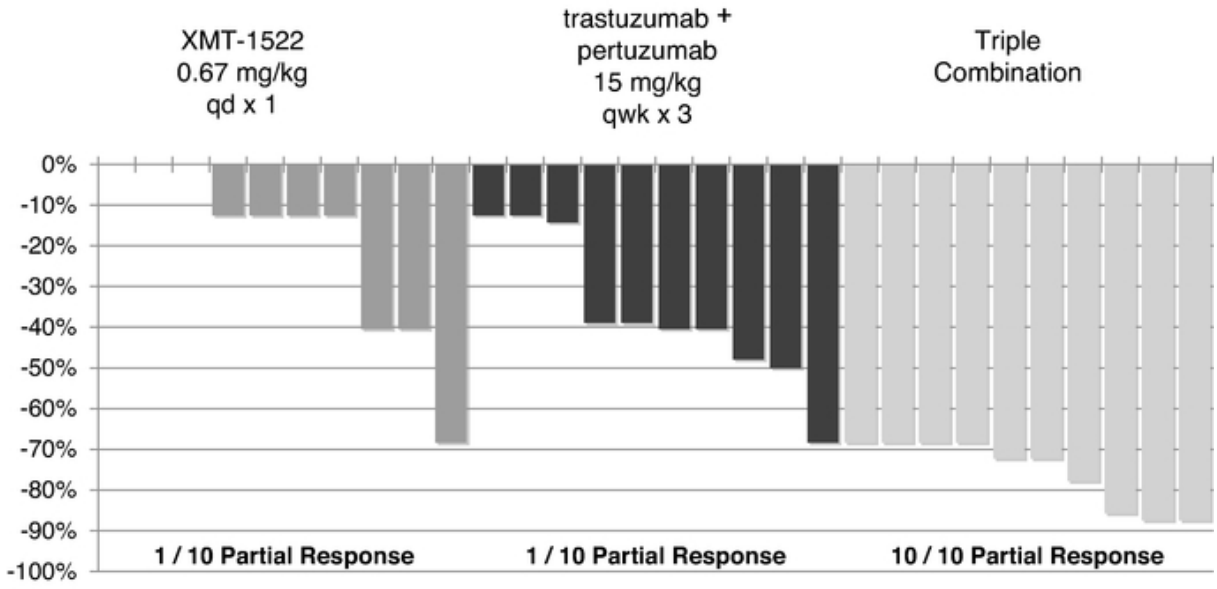
To evaluate the relative efficacy of XMT-1522 compared to ado-trastuzumab emtansine, we conducted studies in tumor models representing high, medium and low levels of HER2 expression (Figure 7). In the high HER2-expressing model (NCI-N87 gastric cancer, HER2 gene amplified, HER2 3+), XMT-1522 induced complete tumor regressions after a single 1 mg/kg dose on Day 1. As we expected, ado-trastuzumab emtansine was similarly active in HER2 high expressing tumors after a single dose of 10 mg/kg. However, in the medium- and low-expressing models, XMT-1522 was still able to induce durable complete tumor regressions where ado-trastuzumab emtansine failed to do so, even at doses at least 10-fold higher than the XMT-1522 dose. XMT-1522 was also capable of inducing complete tumor regressions in models of acquired resistance to ado-trastuzumab emtansine, both in a model generated in the laboratory and in a tumor model obtained from a patient who responded to ado-trastuzumab emtansine but then experienced disease progression. In contrast, in the model obtained from a patient, lapatinib/gemcitabine, the current standard of care, did not have material impact on tumor growth. These data suggest that our ADCs may have improved efficacy relative to traditional ADCs, even in tumors where the target antigen is expressed at moderate to low levels.

Figure 7. Comparing XMT-1522 to Ado-Trastuzumab Emtansine in Models Representing High, Medium and Low Levels of HER2 Expression



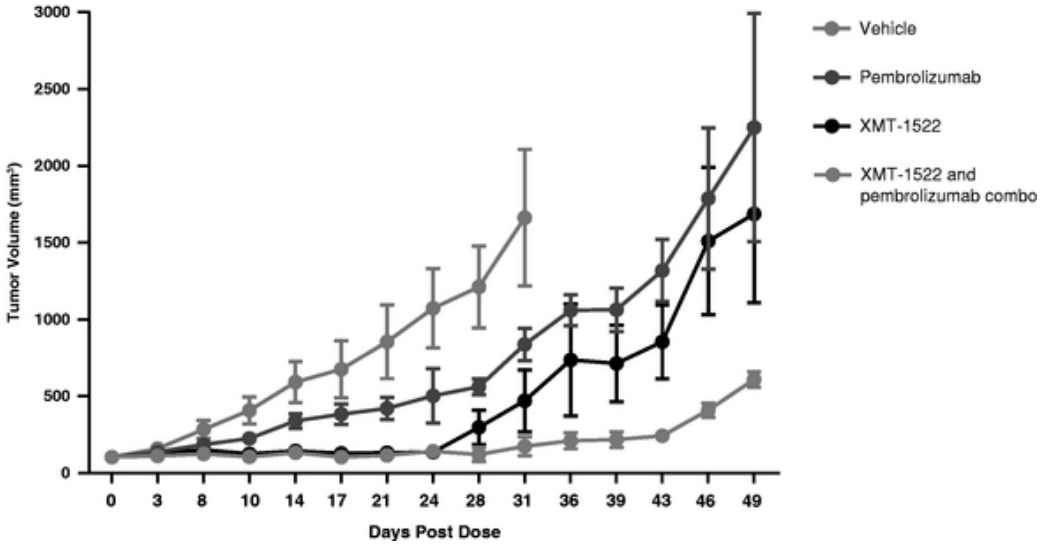
To evaluate the potential of XMT-1522 in combination with other agents, we conducted preclinical studies with other HER2-targeted therapies and checkpoint inhibitors currently used in the treatment of cancer. Since XMT-1522 binds to an epitope distinct from the HER2 epitopes to which trastuzumab and pertuzumab bind, it does not compete with either of those antibodies for HER2 binding. We have shown that the triple combination of XMT-1522 with trastuzumab and pertuzumab is more active than XMT-1522 alone or the trastuzumab/pertuzumab doublet in a HER2-driven tumor model (N87 HER2-positive gastric cancer) (Figure 8). In this experiment, XMT-1522 was administered at a dose lower than the maximally efficacious dose to manifest the triplet synergy. Consequently, we believe XMT-1522 has the potential to be combined with either or both of those monoclonal antibodies, even at doses of trastuzumab and pertuzumab over 20-fold higher than the dose of XMT-1522, to promote more complete inhibition of HER2 signaling while not interfering with delivery of the XMT-1522 chemotherapeutic payload.

Figure 8. Synergy Seen in Triple Combination with Trastuzumab and Pertuzumab



ADC payloads, including AF-HPA, have been shown to induce immunogenic cell death, or ICD. Chemotherapeutic compounds that induce ICD are hypothesized to increase the presentation of tumor antigens in the tumor microenvironment and to generate an immune response to the tumor, resulting in increased sensitivity of the tumor to immune checkpoint drugs such as the PD-1 or PD-L1 inhibitors. We have tested this hypothesis with XMT-1522 in a mouse model carrying a humanized immune system and a patient-derived NSCLC tumor expressing HER2. In this experiment, we tested the PD-1 antibody pembrolizumab alone, XMT-1522 alone and the combination of XMT-1522 with pembrolizumab. As shown in Figure 9, the combination of XMT-1522 with pembrolizumab is more active than either therapy alone. We believe these data support the potential to combine Dolaflexin ADCs with immune checkpoint inhibitors in cancer indications where checkpoint inhibitors are active.

Figure 9. XMT-1522 in Combination with Pembrolizumab Results in Greater Efficacy than Either Treatment Alone



Preclinical safety studies

We have evaluated the safety and tolerability of XMT-1522 in both non-human primates and rats. Based on these studies, we have established that the XMT-1522 plasma concentrations necessary for efficacy in the variety of models studied are below the highest tolerated dose in non-human primates. Furthermore, we have established that XMT-1522 is stable in circulation, has predictable pharmacokinetics and has a safety profile acceptable for Phase 1 testing in patients with advanced cancer. There was no evidence of cardiotoxicity in non-human primates at any dose tested, including at doses significantly above the highest tolerated dose in dose finding studies. The most pronounced hematalogic finding in non-human primates was a transient decrease in platelet counts not associated with clinically-significant bleeding. Neutropenia was not observed in either species. Opthalmological evaluation was performed in preclinical studies in both species. Adverse ocular events related to XMT-1522 were seen only at the highest dose tested in the rat, associated with plasma exposure of XMT-1522 greater than eight fold higher than the exposure at the highest non-severely toxic dose in non-human primates. Gastrointestinal toxicity was the primary toxicity associated with XMT-1522 and was seen only in non-human primates. These effects were fully reversible at tolerated doses.

XMT-1536: our NaPi2b-targeted ADC

Program description

Our second product candidate, XMT-1536, is a Dolaflexin ADC targeting NaPi2b-expressing tumors. NaPi2b is an antigen highly expressed in 60 to 90% of both non-squamous NSCLC and epithelial ovarian cancer. However, the expression of NaPi2b in normal tissue is restricted to a limited subset of cell types, rendering it an ideal antigen for ADC development. XMT-1536 is composed of a proprietary anti-NaPi2b antibody, selected for its advantageous internalization properties. XMT-1536 is currently in IND-enabling studies, and we expect it to enter clinical development in early 2018.

Genentech's lifastuzumab vedotin, an ADC targeting NaPi2b utilizing the Seattle Genetics vc-MMAE platform, provided encouraging results in Phase 1 studies in ovarian cancer, where a 41% confirmed objective response rate by RECIST criteria was achieved without evidence of target-mediated toxicities. However, in a randomized Phase 2 study in platinum-resistant ovarian cancer, lifastuzumab vedotin failed to demonstrate a statistically-significant benefit to liposomal doxorubicin, the comparator, on the primary endpoint of progression free survival, or PFS, despite a numerically superior response rate and improvement in median progression-free survival. Surprisingly, responses in NSCLC patients were also limited despite widespread expression of the NaPi2b target in the Phase 1 patients. Genentech has since discontinued development of lifastuzumab vedotin. The partial validation of the NaPi2b target provided by these studies forms the basis of our rationale to develop XMT-1536 as a potentially clinically meaningful ADC for the treatment of epithelial ovarian cancer and non-squamous NSCLC. Based on our preclinical data, we believe that XMT-1536 may offer improved efficacy and a wider therapeutic index in these patients.

Unmet need and epidemiology

Ovarian cancer patients who progress during or within six months of completion of platinum-based therapy are considered to have platinum-resistant disease. These patients have limited treatment options other than single agent platinum-based chemotherapies (e.g., docetaxel, paclitaxel) or targeted therapies, such as bevacizumab (in patients who have not received beviciaumab for treatment of earlier stage disease), olaparib (for patients carrying germline mutations in the BRCA1 and BRCA2 genes) and rucaparib (for patients carrying germline and somatic mutations in the BRCA1 and BRCA2 genes), which have either shown limited overall survival benefit (e.g., bevacizumab) or have yet to demonstrate survival benefit (e.g., olaparib and rucaparib). We plan to initially test XMT-1536 in patients with platinum-resistant ovarian cancer. If proof-of-concept is established, there are opportunities to address treatment of primary ovarian cancer and recurrent, platinum-sensitive disease where platinum-based chemotherapy regimens remain the standard of care.

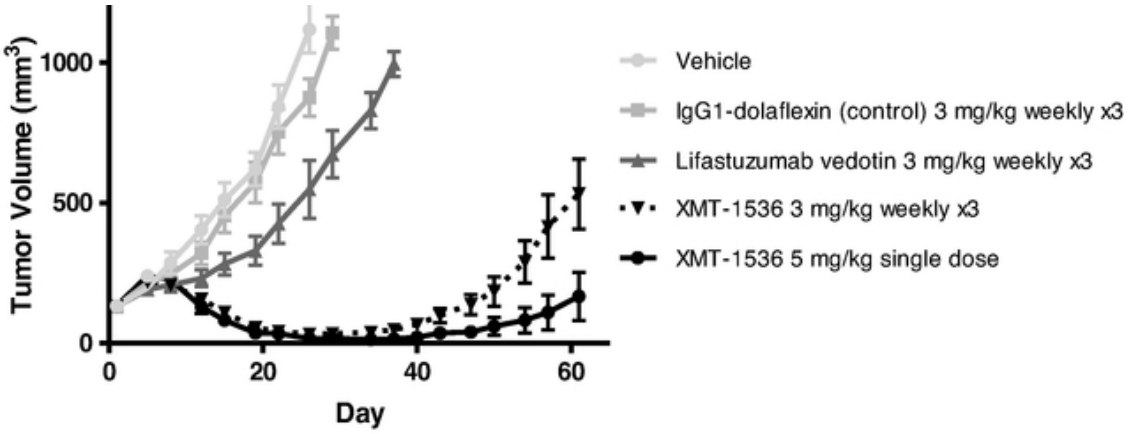
Given the breadth of NaPi2b expression in non-squamous NSCLC, we believe XMT-1536 also has the potential to treat a broad population of NSCLC patients. Initially, we plan to test XMT-1536 in platinum-resistant NSCLC patients. If proof-of-concept is established in this population, we believe that there are opportunities to move earlier in the treatment paradigm or consider combination treatment with PD-1/PD-L1 antibodies, the emerging standard of care in front line NSCLC. Our preclinical data indicating that the AF-HPA payload used in XMT-1536 induced immunogenic cell death support the potential for synergy with immune checkpoint inhibitors.

There are currently no FDA-approved tests to measure NaPi2b expression on tumor cells, however given the prevalence of its expression on epithelial ovarian and non-squamous NSCLC tumors, our initial clinical studies of XMT-1536 will be conducted without prospective identification of patients with NaPi2b-expressing tumors. Nonetheless, we have developed and are validating an immunohistochemistry assay to measure NaPi2b expression which we intend to use retrospectively to confirm the broad prevalence of NaPi2b expression in our target patient populations while correlating those expression levels with the efficacy observed in such patients. If results are sufficiently robust, we believe there is an opportunity to develop XMT-1536 without the need for a companion diagnostic. If a companion diagnostic is required for the label for XMT-1536, we may seek approval for our validated assay as a companion diagnostic.

Preclinical studies

XMT-1536 induced complete tumor regressions in the OVCAR3 ovarian cancer model after a single dose of 5 mg/kg or three weekly doses of 3 mg/kg. In comparison, lifastuzumab vedotin administered via three weekly doses of 3 mg/kg failed to achieve tumor regressions (Figure 10). Genentech published regressions in this model at doses of 6 mg/kg and above, but, given the dose-limiting neutropenia seen in monkeys at doses above 3 mg/kg, these higher doses are unlikely to be translationally relevant.

Figure 10. Comparison of XMT-1536 to Lifastuzumab Vedotin in the OVCAR3 Ovarian Cancer Xenograft Model



XMT-1536 was also tested in eight patient-derived tumor models of NSCLC adenocarcinoma, where it led to complete or near-complete tumor regressions in five of eight models and significant tumor growth delay in two of the remaining three models (Figure 11). All models were treated with three weekly doses of 3 mg/kg or less. The models were not pre-selected for NaPi2b expression and represented a range of tumor genotypes frequently observed in NSCLC adenocarcinoma, including RAS/RAF mutant tumors, EGFR mutant tumors, ALK-translocated tumors and tumors not carrying known oncogenic drivers. As with the data presented above, each column represents an individual tumor model, and the more negative the value, the greater the degree of XMT-1536 efficacy, with negative 100% representing complete tumor regression. In these experiments, the last dose of XMT-1536 was administered on Day 14 and tumor volumes were measured until Day 60 to evaluate durability of the regressions. The regressions were maintained until Day 60 in four of the five models achieving complete or near-complete regression after a 45 day treatment-free interval, indicating good durability of the tumor regressions (Figure 12).

Figure 11. Waterfall Plot of Best Tumor Response to XMT-1536 in Eight NSCLC Adenocarcinoma Models

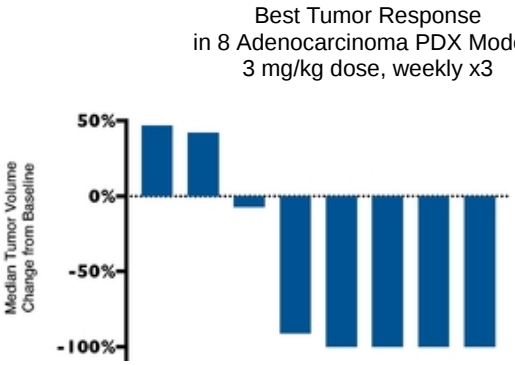
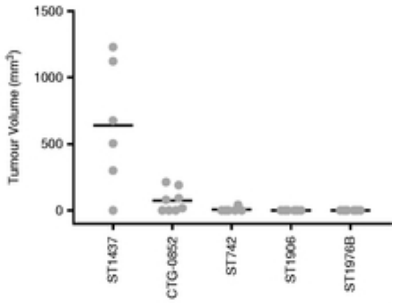


Figure 12. Day 60 Tumor Volumes in Models Achieving Complete or Near-Complete Regressions with XMT-1536



Tumor-free @ Days 60	1/6	3/8	5/6	6/6	6/6*
Day 60 TV relative to Day 0 (%)	258	-82	-100	-100	-100

* ST1976B achieves CR durable to Day 60 at 1 mg/kg dose level

Preclinical tolerability data and therapeutic index

XMT-1536 is cross-reactive with cynomolgous monkey and rat NaPi2b, allowing an informative evaluation of whether XMT-1536 retains good tolerability in these commonly used safety species. In the exploratory repeat dose NHP study, there was no evidence of neutropenia at payload doses that were at least four times the maximum tolerated dose of lifastuzumab vedotin and at least two times the dose that caused fatal neutropenia and sepsis in monkeys treated with lifastuzumab vedotin. We believe these data, combined with the strong efficacy data for XMT-1536 in models of NSCLC and ovarian cancer are indicative of a favorable therapeutic index and support moving into IND-enabling studies.

Clinical development plan and timeline

The Phase 1 study is expected to be an open label, multi-center study of XMT-1536 administered as an intravenous infusion once every three weeks. The dose escalation part of the study is expected to establish a recommended Phase 2 dose for XMT-1536 in patients with advanced epithelial ovarian cancer and non-squamous NSCLC. We expect the study will not require molecular testing for eligibility and will be open to all patients regardless of NaPi2b expression. Upon completion of dose escalation, the cohort expansion segment of the study is expected to consist of two parallel cohorts of patients in each indication to demonstrate the objective response rate and durability of responses in each. Retrospective analysis of

tumor response and durability of response as a function of NaPi2b expression will be performed to determine the necessity of developing a companion diagnostic for NaPi2b expression in subsequent studies. We expect XMT-1536 will enter clinical development in early 2018.

Platform development

We intend to establish a leading position in the field of ADCs by continuing to advance platform innovations that further broaden the potential of our ADCs to deliver clinically meaningful benefit for cancer patients. Our areas of focus include the development of alternative scaffolds to drive homogeneity of our ADCs, alternative payloads to address additional indications and drug resistance and alternative targeting moieties to improve tumor penetration and biodistributuion. We believe these efforts may lead to improved efficacy and tolerability as well as expansion of the addressable patient population.

Strategic partnerships

Strategic partnerships with leading biopharmaceutical companies to advance Fleximer ADC product candidates

We believe that our ADC platform has broad applicability across a number of targets. We have used strategic partnering to accelerate bringing Fleximer ADCs to patients. Since 2012, we have entered into a strategic partnership for XMT-1522 with Takeda, through its wholly owned subsidiary Millennium Pharmaceuticals, Inc., and strategic research and development partnerships with Takeda, Merck KGaA and Asana BioSciences, LLC (by assignment from Endo Pharmaceuticals Inc.) to enable development of certain ADC product candidates utilizing Fleximer. In establishing each of these partnerships, our primary objectives were to collaborate with leading biopharmaceutical companies to validate the potential of ADC product candidates utilizing Fleximer, gain meaningful near-term funding and drive significant long-term value. Under each of our partnerships, we own the rights to any improvements to our ADC platform. The details of our material existing strategic partnerships are as follows:

Takeda XMT-1522 strategic partnership

In January 2016, we entered into a collaboration agreement with Takeda for the development and commercialization of XMT-1522. Under this agreement, we granted Takeda an exclusive license under certain of our ADC-related patents and know-how to commercialize XMT-1522 outside of the United States and Canada. We will conduct certain Phase 1 development activities for XMT-1522, including the ongoing Phase 1 clinical study, at our own expense, and Takeda may also conduct Phase 1 development activities at its own expense. The parties will collaborate on the further development of XMT-1522 in accordance with a global development plan. In addition, the parties will share equally all clinical-stage manufacturing costs and any post-Phase 1 development costs incurred in connection with obtaining regulatory approval in either the United States or Canada and in certain major markets in the rest of the world. Each party will be responsible for all post-Phase 1 development costs specific to such party's territory incurred for the purpose of obtaining regulatory approval in such party's territory. Subject to certain restrictions, each party may conduct independent development of XMT-1522 and the other party may elect to use any resulting data if it agrees to share the development costs equally and pays a premium for previously incurred costs.

During 2016, we received an upfront payment of $26.5 million and a milestone payment of $20 million under this agreement. We are entitled to receive future development, regulatory and commercial milestones of up to $288 million and tiered royalties in the low- to mid-teen percentages on net sales of

XMT-1522 in Takeda's territory, if XMT-1522 is successfully developed and commercialized. Pursuant to this Agreement, Takeda invested approximately $10 million in our Series C-1 financing in June 2016.

Unless earlier terminated, this agreement will expire upon the expiration of the royalty term for XMT-1522, after which time Takeda will have a perpetual, royalty-free license. Takeda may terminate this agreement in its entirety for convenience upon 30 days' prior written notice at any time up to the initiation of the first Phase 2 clinical study of XMT-1522 or upon 90 days' prior written notice following the initiation of the first Phase 2 clinical study of XMT-1522. Each party may terminate this agreement in its entirety upon bankruptcy or similar proceedings of the other party and in its entirety or on a country-by-country basis upon an uncured material breach of the agreement by the other party. Following any such termination, all rights in XMT-1522 licensed to Takeda will revert to us for further development and commercialization.

Takeda strategic research and development partnership

In March 2014, we entered into a collaboration agreement with Takeda for the development and commercialization of ADC product candidates utilizing Fleximer. We formed a strategic partnership with Takeda because of their industry expertise in oncology drug development and their experience developing and commercializing brentuximab vedotin outside of the United States, one of only two approved and broadly available ADCs. Under this agreement, Takeda received rights to select up to seven target antigens, of which it has selected four to date. Takeda is responsible for generating antibodies against the target antigens, and we are responsible for generating Fleximer and our proprietary payloads and conjugating this to the antibody to create the ADC product candidates. With respect to each target antigen selected by Takeda, we granted Takeda an exclusive, worldwide license under certain of our Fleximer ADC-related patents and know-how to develop, manufacture and commercialize ADC product candidates directed to such target antigen. Takeda is then responsible for the further development, manufacture and commercialization of these ADC product candidates. The most advanced product candidates in this partnership are in the lead optimization stage.

Takeda is responsible for its own costs in the development, commercialization and manufacture of ADC product candidates and reimburses us for our costs incurred in performing our research activities under this agreement, except in the event that we exercise our opt-in right as described below.

Through December 31, 2016, we have received $24.8 million in upfront payments and option fees under this agreement. If products are successfully developed and commercialized against all seven potential target antigens, we are entitled to receive future development, regulatory and commercial milestones of up to $1.063 billion, except in the event that we exercise our opt-in right as described below. We are entitled to receive tiered royalties in the mid-single digit percentages on net sales of each product targeting Takeda's first or second target antigen and in the mid- to high-single digit percentages on net sales of each product targeting Takeda's third through seventh target antigens if products are successfully developed and commercialized by Takeda and except in the event that we exercise our opt-in right as described below.

In addition, we have an option to co-develop and co-commercialize one product targeting one of Takeda's third through seventh target antigens in the United States for a payment of $15 million in cash or in our common stock, and we may exercise such option with respect to an applicable product no later than 30 days after initiation of a Phase 2 clinical study for such product or at an earlier time if Takeda intends to grant rights to such product to a third party. If we elect to exercise the option to co-develop and co-commercialize a product, we will share development costs related to such product in the United States equally with Takeda and we will be responsible for 30% of the global development costs for such product. If we elect to exercise the option to co-develop and co-commercialize a product, we will share the profits

and losses related to such product in the United States equally with Takeda in lieu of certain milestones and royalties on the net sales in the United States.

Unless earlier terminated, this agreement will expire upon the expiration of the last royalty term for a product under the agreement. Upon the expiration of each royalty term for each product on a country-by-country basis, Takeda's exclusive license will convert to a perpetual, non-exclusive, royalty-free license with respect to such product in such country. Except with respect to the target antigen of a product for which we exercised our option to co-develop and co-commercialize in the United States, Takeda may terminate this agreement in its entirety or with respect to any target antigen for convenience upon 45 days' prior written notice. Each party may terminate this agreement in its entirety upon bankruptcy or similar proceedings of the other party or upon an uncured material breach of the agreement by the other party. However, if such breach only relates to one target antigen, the agreement may only be terminated with respect to such target antigen.

Merck KGaA strategic research and development partnership

In June 2014, we entered into a collaboration agreement with Merck KGaA for the development and commercialization of ADC product candidates utilizing Fleximer for up to six target antigens. We formed a strategic partnership with Merck KGaA because of their expertise in oncology drug development. Under this agreement, we are responsible for generating ADC product candidates against Merck KGaA-selected target antigens. Merck KGaA received rights to select up to six target antigens, of which it has selected all six. Merck KGaA is responsible for generating antibodies against the target antigens, and we are responsible for generating Fleximer and our proprietary payloads and conjugating this to such antibodies to create the ADC product candidates. With respect to each target antigen selected by Merck KGaA, we granted Merck KGaA an exclusive, worldwide license under certain of our Fleximer ADC-related patents and know-how to develop, manufacture and commercialize ADC product candidates directed to such target antigen. Merck KGaA is then responsible for the further development and commercialization of these ADC product candidates. In addition, if Merck KGaA advances candidates, we are responsible for manufacturing these ADC product candidates for GLP toxicology studies and Phase 1 clinical studies at Merck KGaA's expense and Merck KGaA is responsible for all further manufacture of these ADC product candidates. Merck KGaA is required to pay its own costs in the development, commercialization and manufacture of these ADC product candidates and reimburses us for our costs incurred in performing our research activities under this agreement. The most advanced product candidates in this partnership are in the lead optimization stage.

Through December 31, 2016, we have received an upfront payment of $12 million and milestone payments of $2 million under this agreement. If products are successfully developed and commercialized against all six target antigens, we are entitled to receive future development, regulatory and commercial milestones of up to $778 million. We are entitled to receive tiered royalties in the low- to mid-single digit percentages on net sales of products targeting Merck KGaA's target antigens if products are successfully developed and commercialized by Merck KGaA under this agreement.

Unless earlier terminated, this agreement will expire upon the expiration of the last royalty term for a product under the agreement or if Merck KGaA does not designate any ADC product candidates produced by us under the agreement as preclinical development candidates, upon the expiration of the last to expire research program. Upon the expiration of each royalty term for each product on a country-by-country basis, Merck KGaA's exclusive license will convert to a perpetual, non-exclusive, royalty-free license with respect to such product in such country. Merck KGaA may terminate this agreement in its entirety or with respect to any target antigen for convenience upon 60 days' prior written notice. Each party may

terminate this agreement in its entirety upon an uncured material breach of the agreement by the other party.

Strategic partnerships to access antibodies to progress our proprietary pipeline

Our focus is to progress our proprietary pipeline of Fleximer based ADCs. For this reason, we have partnered with biotechnology companies that have the capability to generate high quality antibodies or that have existing antibodies that we can license for inclusion in our ADCs. These strategic partnerships have facilitated the acceleration of our proprietary pipeline.

Adimab strategic partnership for the antibody in XMT-1522

In July 2012, we entered into a collaboration agreement with Adimab, LLC, or Adimab. We formed a strategic partnership with Adimab because we believe they have industry leading capabilities in antibody discovery, as evidenced by their existing partnerships with numerous significant pharmaceutical and biotechnology companies. The initial focus of this partnership was for the discovery of antibodies by Adimab directed to two targets, which would then be conjugated to our Dolaflexin platform technology. Our HER2-targeted antibody used in XMT-1522 was the result of this partnership. We exercised an option under this agreement to acquire Adimab's interest in this antibody and certain other antibodies developed under this partnership. Through exercising this option, we have also acquired Adimab's interests in patents and know-how arising from its work that were solely related to such antibodies and obtained a non-exclusive, worldwide license to Adimab's background technology to exploit ADCs containing these antibodies. Under the agreement, we are responsible for all development, manufacture and commercialization activities related to ADCs containing these antibodies, including XMT-1522, and we must use commercially reasonable efforts to develop or commercialize one such ADC or our rights to these antibodies will revert to Adimab. During 2014, we paid an option exercise fee of $1.5 million under this agreement and are obligated to pay Adimab up to $26.5 million in development and regulatory milestones for each product containing one of these antibodies and a low-single digit percentage royalty on net sales of each product if this product is successfully developed and commercialized. During the first quarter of 2017, we made a milestone payment of $1.5 million to Adimab with respect to XMT-1522. Unless earlier terminated or either party provides the other with written notice of non-renewal, the agreement will automatically renew for successive renewal terms. Either party may terminate the agreement for material breach, subject to certain notice and cure periods, or upon a change of control of the other party subject to a certain notice period. Our rights to these antibodies and to Adimab's background technology and our development, commercialization and payment obligations survive any termination or expiration of this agreement.

Recepta license for the antibody in XMT-1536

In July 2015, we entered into a license agreement with Recepta Biopharma S.A., or Recepta, a Brazilian biopharmaceutical company, licensing Recepta's NaPi2b antibody for use in XMT-1536 and granting Recepta the exclusive right to commercialize XMT-1536 in Brazil. Under this agreement, Recepta granted us an exclusive license and sub-license with respect to certain patents licensed by Recepta from Ludwig Institute for Cancer Research and technology owned by Recepta to develop and exploit products containing Recepta's NaPi2b antibody, including XMT-1536, worldwide for the diagnosis, prophylaxis or treatment of human cancer. We granted Recepta an exclusive license under our rights in such patents and technology and certain of our ADC-related patents and technology to commercialize any such products developed by us, including XMT-1536, in Brazil. We are responsible for the worldwide development of products under this agreement at our own expense to develop and commercialize products in certain major markets, including at least one study site in our Phase 3 clinical studies in Brazil. Recepta may conduct development activities

in Brazil at its own expense after providing us the opportunity to first conduct such activities at Recepta's expense. If a product is successfully developed and commercialized by Recepta in Brazil, we will use diligent efforts to enter into an agreement for the supply of such products to Recepta for sale in Brazil.

Under this agreement, we paid Recepta an upfront payment of $1 million during the year ended December 31, 2015 and are obligated to pay Recepta up to $65.5 million in development, regulatory and commercial milestones and tiered royalties in the low-single digit percentages on net sales of products outside of Brazil if products are successfully developed and commercialized. We are entitled to receive tiered royalties in the low- to mid-single digit percentages on net sales of products in Brazil if products are successfully developed and commercialized. Upon the expiration of each royalty term in each country for each applicable product, the exclusive licenses granted to each party under the agreement will become fully-paid up and royalty-free. This agreement will remain in effect until otherwise terminated as set forth below. We may terminate this agreement for convenience in its entirety or on a country-by-country basis (except with respect to Brazil) or product-by-product basis upon 180 days' prior written notice for a termination in its entirety or upon 45 days' prior written notice for a termination in part. Each party may terminate this agreement in its entirety upon bankruptcy or similar proceedings of the other party, upon a patent challenge by the other party or upon an uncured material breach of the agreement by the other party. However, if such breach only relates to one country, the agreement may only be terminated with respect to such country.

Manufacturing

We do not own or operate and currently have no plans to establish any cGMP compliant manufacturing facilities. We currently rely, and expect to continue to rely, on external Contract Manufacturing Organizations, or CMOs, for the manufacture of product to support clinical testing. In the future, we expect to use CMOs to manufacture commercial supply of our products. The Dolaflexin manufacturing process involves readily available starting materials and uses unit operations that are well-precedented in the field of chemical/pharmaceutical production.

Government regulation

Government authorities in the United States, at the federal, state and local level, and in other countries and jurisdictions, including the European Union, extensively regulate, among other things, the research, development, clinical and preclinical testing, manufacture, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing and import and export of pharmaceutical products. The processes for obtaining regulatory approvals in the United States and in foreign countries and jurisdictions, along with subsequent compliance with applicable statutes and regulations and other regulatory authorities, require the expenditure of substantial time and financial resources. Failure to comply with the applicable requirements at any time during the product development process, approval process or after approval may subject an applicant and/or sponsor to a variety of administrative or judicial sanctions, including imposition of a clinical hold, refusal to approve marketing applications, withdrawal of an approval, import/export delays, issuance of warning letters and other types of enforcement letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement of profits or civil or criminal investigations and penalties.

Review and approval in the United States

In the United States, our ADC product candidates are subject to regulation by the FDA as biologics. The FDA regulates biologics under the Federal Food, Drug, and Cosmetic Act, or FDCA, the Public Health Service Act, or PHS Act, and associated implementing regulations. The failure to comply with the FDCA, the PHS Act and other applicable U.S. requirements at any time during the product development process, approval process or after approval may subject an applicant and/or sponsor to a variety of administrative or judicial sanctions, including refusal by the FDA to approve pending applications, withdrawal of an approval, imposition of a clinical hold, issuance of warning letters and other types of enforcement-related letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement of profits or civil or criminal investigations and penalties brought by the FDA and the Department of Justice, or DOJ, or other governmental entities.

The steps before a biological product may be approved for marketing in the United States generally include:

- completion of preclinical laboratory tests, animal studies and formulation studies in compliance with the FDA's GLP regulations;
- the submission to the FDA of an IND application which must take effect before human clinical studies may begin in the United States;
- approval by an independent IRB representing each clinical site before each clinical study may be initiated;
- performance of adequate and well-controlled clinical studies to establish the safety and efficacy of the proposed product for each indication, conducted in accordance with GCP;
- preparation and submission to the FDA of a BLA;
- FDA acceptance, review and approval of the BLA, which might include an Advisory Committee review;
- satisfactory completion of one or more FDA inspections of the manufacturing facility or facilities at which the product, or components thereof, are produced to assess compliance with cGMP requirements and to assure that the facilities, methods and controls are adequate to preserve the product's identity, strength, quality and purity;
- satisfactory completion of any FDA audits of clinical study sites to assure compliance with GCPs and the integrity of the clinical data;
- payment of user fees for FDA review of the BLA; and
- compliance with any post-approval requirements, including REMS, where applicable, and post-approval studies required by the FDA as a condition of approval.

The testing and approval process requires substantial time, effort and financial resources, and the receipt and timing of any approval is uncertain.

Preclinical studies

Preclinical studies include laboratory evaluation of the product candidate, as well as *in vitro* and animal studies to assess the potential safety and efficacy of the product candidate for use in humans. The conduct of preclinical studies is subject to federal regulations and requirements, including GLP regulations. The

results of the preclinical studies, together with manufacturing information, analytical data, any available clinical data or literature and plans for clinical studies, among other things, are submitted to the FDA as part of an IND. Additional preclinical testing, such as toxicity studies, may continue after the IND is submitted.

Clinical studies

Clinical studies involve the administration of the product candidate to human subjects under the supervision of qualified investigators in accordance with GCP requirements. GCP requirements include, among other things, conducting the study in accordance with a written protocol, obtaining informed consent from study subjects and approval and ongoing review of the study by an IRB at each site where the study will be conducted.

A protocol for each clinical study and any subsequent protocol amendments must be submitted to the FDA as part of the IND. An IND automatically becomes effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to a proposed clinical study or places the study on clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical study can begin.

Clinical studies are typically conducted in three sequential phases prior to approval, which may overlap or be combined:

Phase 1: The product candidate is initially introduced into healthy human subjects or, in some cases, patients with the target disease (e.g., cancer) or condition. In Phase 1, the product candidate is typically tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion and, if possible, to gain an early indication of its effectiveness and to determine optimal dosage.

Phase 2: The product candidate is administered to a limited patient population to preliminarily evaluate the efficacy of the product for specific targeted diseases, to identify possible adverse effects and safety risks and to determine dosage tolerance and optimal dosage.

Phase 3: The product candidate is administered to an expanded patient population, generally at geographically dispersed clinical study sites, in well-controlled clinical studies to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to establish the overall risk-benefit profile of the product and to provide adequate information for the labeling of the product.

Phase 4 clinical studies may be conducted after initial marketing approval. These studies are used to gain additional experience from the treatment of patients in the intended therapeutic indication and to document a clinical benefit in the case of products approved under accelerated approval regulations or when otherwise requested by the FDA in the form of post-market requirements or commitments.

Clinical studies at each phase of development may not be completed successfully within any specified period, or at all. Furthermore, the FDA, an IRB, the sponsor or the data monitoring committee, if applicable, may suspend or terminate a clinical study at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. The FDA will typically inspect one or more clinical sites to assure compliance with GCP and the integrity of the clinical data submitted.

Submission of a marketing application to the FDA

Assuming successful completion of required clinical testing and other requirements, the results of the preclinical studies and clinical studies, together with detailed information relating to the product's

chemistry, manufacture, controls and proposed labeling, among other things, are submitted to the FDA as part of a BLA requesting approval to market the product for one or more indications.

BLA pathway

Our ADC product candidates must be licensed via FDA approval of a BLA under Section 351 of the PHS Act on the basis of a demonstration that the product is safe, pure and potent. Once a BLA has been accepted for filing, the FDA's goal is to review BLAs within ten months of the filing date for standard review or six months of the filing date for priority review. The review process is often significantly extended by FDA requests for additional information or clarification. The FDA may refer the application to an advisory committee for review, evaluation and recommendation as to whether the application should be approved. The FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations.

Before approving the BLA, the FDA will inspect the facilities at which the biological product is manufactured and will not approve the product unless the facility is compliant with cGMPs. Additionally, the FDA will typically inspect one or more clinical study sites for compliance with GCP and integrity of the data supporting safety and efficacy.

During the approval process, the FDA also will determine whether to require post-approval testing, including Phase 4 clinical studies and surveillance programs to monitor the effect of approved biologics after they are commercialized. In addition, the FDA will determine whether the biologic will require a REMS to ensure that the benefits of the product outweigh its risks, which could include medication guides, physician communication plans or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools.

On the basis of the FDA's evaluation of the BLA and accompanying information, including the results of the inspection of the manufacturing facilities, the FDA will issue either an approval of the BLA or a Complete Response Letter, detailing the deficiencies in the submission and the additional testing or information required for reconsideration of the application. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

If the FDA approves a product, it may limit the approved indications for use for the product, require that contraindications, warnings or precautions be included in the product labeling, require that post-approval studies, including Phase 4 clinical studies, be conducted to further assess the product's safety after approval, require testing and surveillance programs to monitor the product after commercialization or impose other conditions, including a REMS, which can materially affect the potential market and profitability of the product. The FDA may prevent or limit further marketing of a product based on the results of post-market studies or surveillance programs. After approval, many types of changes to the approved product, such as adding new indications, manufacturing changes and additional labeling claims, are subject to further testing requirements and FDA review and approval.

Fast track, breakthrough therapy and priority review designations

The FDA is authorized to designate certain products for expedited review if they are intended to address an unmet medical need in the treatment of a serious or life-threatening disease or condition. These programs are fast track designation, breakthrough therapy designation and priority review designation.

First, the FDA may designate a product for "fast track" review if it is intended for the treatment of a serious or life-threatening disease or condition and it demonstrates the potential to address unmet medical needs for such disease or condition. For fast track products, sponsors may have greater interactions with

the FDA and the FDA may initiate review of sections of a fast track product's BLA before the application is complete. This "rolling review" is available if the FDA determines, after preliminary evaluation of clinical data submitted by the sponsor, that a fast track product may be effective. The sponsor must also provide, and the FDA must approve, a schedule for the submission of the remaining information and the sponsor must pay applicable user fees.

Second, the FDA may designate a product as a breakthrough therapy if it is intended to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints. The FDA may take certain actions with respect to breakthrough therapies, including holding meetings with the sponsor throughout the development process, providing timely advice to the product sponsor regarding development and approval, involving more senior staff in the review process, assigning a cross-disciplinary project lead for the review team and taking other steps to design the clinical studies in an efficient manner.

Third, the FDA may designate a product for priority review if it treats a serious condition and, if approved, would provide a significant improvement in safety or effectiveness. A priority designation is intended to direct overall attention and resources to the evaluation of such applications and shortens the FDA's goal for taking action on a marketing application from ten months to six months.

Accelerated approval pathway

The FDA may grant accelerated approval to a product for a serious or life-threatening condition that provides meaningful therapeutic advantage to patients over existing treatments. A product eligible for accelerated approval may be approved on the basis of either a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity or prevalence of the condition and the availability or lack of alternative treatments.

The accelerated approval pathway is most often used in settings in which the course of a disease is long and an extended period of time is required to measure the intended clinical benefit of a product, even if the effect on the surrogate or intermediate clinical endpoint occurs rapidly. Thus, accelerated approval has been used extensively in the development and approval of products for treatment of a variety of cancers in which the goal of therapy is generally to improve survival or decrease morbidity and the duration of the typical disease course requires lengthy and sometimes large studies to demonstrate a clinical or survival benefit.

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

Post-approval requirements

Products manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, advertising and promotion and reporting of adverse experiences with the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are continuing, annual user fee requirements for any marketed products and the establishments at which such products are manufactured, as well as new application fees for certain supplemental applications.

In addition, manufacturers and other entities involved in the manufacture and distribution of approved products are required to register their establishments with the FDA and state agencies and are subject to periodic unannounced inspections by the FDA and these state agencies for compliance with cGMP requirements. Changes to the manufacturing process are strictly regulated and often require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting and documentation requirements upon the sponsor and any third-party manufacturers that the sponsor may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain cGMP compliance.

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information, imposition of post-market studies or clinical studies to assess new safety risks or imposition of distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

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

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

Biosimilars and exclusivity

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, signed into law on March 23, 2010, or the Health Care Reform Act, includes a subtitle called the Biologics Price Competition and Innovation Act of 2009, or the BPCIA, which created an abbreviated approval pathway for biological products shown to be biosimilar to, or interchangeable with,

an FDA-licensed reference biological product. Biosimilarity requires a showing that the product is "highly similar" to the reference product notwithstanding minor differences in clinically inactive components and that there are no clinically meaningful differences between the biological product and the reference product in terms of safety, purity and potency. Interchangeability requires that a product is biosimilar to the reference product and the product must demonstrate that it can be expected to produce the same clinical results as the reference product in any given patient and, for products administered multiple times, the biologic and the reference biologic may be switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biologic. However, complexities associated with the larger, and often more complex, structure of biological products, as well as the process by which such products are manufactured, pose significant hurdles to implementation of the BPCIA that are still being worked out by the FDA.

A reference biologic is entitled to 12 years of exclusivity from the time of first licensure of the product. In addition, the first biological product submitted under the abbreviated approval pathway that is determined to be interchangeable with, not just biosimilar to, the reference product has exclusivity against other biologics submitting under the abbreviated approval pathway for the lesser of (i) one year after the first commercial marketing, (ii) 18 months after approval if there is no legal challenge, (iii) 18 months after the resolution in the applicant's favor of a lawsuit challenging the biologics' patents if an application has been submitted or (iv) 42 months after the application has been approved if a lawsuit is ongoing within the 42-month period.

Note that modifications to or repeal of all or certain provisions of the Health Care Reform Act are expected as a result of the outcome of the recent presidential election and Republicans maintaining control of Congress, consistent with statements made by Donald Trump and members of Congress during the presidential campaign and following the election. As noted above, the BPCIA was enacted as part of the Health Care Reform Act. Although there has been no direct discussion, to our knowledge, of repealing the BPCIA, if there is a repeal of all or parts of the Health Care Reform Act, this could impact the BPCIA provisions as well. We cannot predict the ultimate content, timing or effect of any changes to the Health Care Reform Act or any resulting impact of the BPCIA.

Pediatric studies and exclusivity

Under the Pediatric Research Equity Act of 2003, all applications for new active ingredients, new indications, new dosage forms, new dosing regimens or new routes of administration are required to contain an assessment of the safety and effectiveness of the product for the claimed indication in pediatric patients unless this requirement is waived, deferred or inapplicable.

Under the Best Pharmaceuticals for Children Act, a product may be eligible for pediatric exclusivity, which, if granted, adds six months to existing exclusivity periods and patent terms. This six-month exclusivity, which runs from the end of other exclusivity protection or patent term, may be granted based on the voluntary completion of a pediatric study in accordance with an FDA-issued written request for such a study.

Orphan drug designation and exclusivity

Under the Orphan Drug Act, the FDA may designate a product, including a biological product, as an "orphan drug" if it is intended to treat a rare disease that affects fewer than 200,000 individuals in the United States or, if it affects more than 200,000 individuals in the United States, a disease for which there is no reasonable expectation that the cost of developing and making the product for this type of disease or condition will be recovered from sales in the United States.

A product that receives the first FDA approval for a product for the indication for which it has orphan designation is entitled to orphan drug exclusivity, which means the FDA may not approve any other application to market the same product for the same indication for a period of seven years, except in limited circumstances, such as a showing of clinical superiority over the product with orphan exclusivity.

Patent term restoration

A patent claiming a new product may be eligible for a limited patent term extension under the Hatch-Waxman Amendments, which permits a patent restoration of up to five years for patent term lost during product development and the FDA regulatory review. The restoration period granted is typically one-half the time between the effective date of an IND and the submission date of a BLA, plus the time between the submission date of a BLA and the ultimate approval date. Patent term restoration cannot be used to extend the remaining term of a patent past a total of 14 years from the product's approval date. Only one patent applicable to an approved drug product is eligible for the extension, and the application for the extension must be submitted prior to the expiration of the patent in question. The USPTO, reviews and approves the application for any patent term extension or restoration in consultation with the FDA.

Review and approval outside the United States

In order to market any product outside of the United States, we would need to comply with numerous and varying regulatory requirements of other countries and jurisdictions governing, among other things, clinical studies, marketing authorization, commercial sales and distribution of our products. Whether or not we obtain FDA approval for a product, we would need to obtain the necessary approvals by the comparable foreign regulatory authorities before we can commence clinical studies or marketing of the product in foreign countries and jurisdictions. Although many of the issues discussed above with respect to the United States apply similarly in the context of the European Union and other geographies, the approval process varies between countries and jurisdictions and can involve additional product testing and additional administrative review periods. The time required to obtain approval in other countries and jurisdictions might differ from and be longer than that required to obtain FDA approval. Regulatory approval in one country or jurisdiction does not ensure regulatory approval in another, but a failure or delay in obtaining regulatory approval in one country or jurisdiction may negatively impact the regulatory process in others.

Pharmaceutical coverage, pricing and reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of products approved by the FDA and other government authorities. Sales of pharmaceutical products depend in significant part on the availability and adequacy of third-party reimbursement. Third-party payors include government health administrative authorities, including authorities at the U.S. federal and state level, managed care providers, private health insurers and other organizations. Third-party payors are increasingly challenging the prices charged for, examining the medical necessity of and assessing the cost-effectiveness of medical products and services.

In order to secure coverage and reimbursement for any product that might be approved for sale, a company may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of the product, in addition to the costs required to obtain FDA or other comparable regulatory approvals. A payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. Third-party reimbursement may not be sufficient to maintain price levels high enough to realize an appropriate return on investment in product development.

The containment of healthcare costs also has become a priority of federal, state and foreign governments and the prices of drugs and biologics have been a focus in this effort. Governments have shown significant

interest in implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit a company's revenue generated from the sale of any approved products. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which a company or its collaborators receive marketing approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

In the European Union, pricing and reimbursement schemes vary widely from country to country. Some countries provide that products may be marketed only after a reimbursement price has been agreed. Some countries may require the completion of additional studies that compare the cost-effectiveness of a particular product candidate to currently available therapies, or so called health technology assessments, to obtain reimbursement or pricing approval. For example, the European Union provides options for its member states to restrict the range of products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. European Union member states may approve a specific price for a product or may instead adopt a system of direct or indirect controls on the profitability of the company.

The downward pressure on healthcare costs in general, particularly prescription drugs and biologics, has become intense. As a result, increasingly high barriers are being erected to the entry of new products. In addition, in some countries, cross-border imports from low-priced markets exert competitive pressure that may reduce pricing within a country. Any country that has price controls or reimbursement limitations for products may not allow favorable reimbursement and pricing arrangements.

Healthcare law and regulation

Our current and future arrangements with healthcare professionals, principal investigators, consultants, customers and third-party payors are and will be subject to various federal, state and foreign fraud and abuse laws and other healthcare laws and regulations. These laws and regulations may impact, among other things, our arrangements with third-party payors, healthcare professionals who participate in our clinical research programs, healthcare professionals and others who purchase, recommend or prescribe our approved products and our proposed sales, marketing, distribution and education programs. The federal and state healthcare laws and regulations that may affect our ability to operate include, without limitation, the following:

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

- the federal False Claims Act, which imposes civil penalties, and provides for 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, or HIPAA, which imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;

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

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

- the federal transparency requirements under the Physician Payments Sunshine Act, which require manufacturers of drugs, devices, biologics and medical supplies to report to the Centers for Medicare & Medicaid Services within the Department of Health and Human Services information related to payments and other transfers of value to physicians and teaching hospitals and physician ownership and investment interests held by physicians and their immediate family members; and

- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, which may apply to 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 also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

We will be required to spend substantial time and money to ensure that our business arrangements with third parties comply with applicable healthcare laws and regulations. Violations of these laws can subject us to criminal, civil and administrative sanctions including monetary penalties, damages, fines, disgorgement, individual imprisonment and exclusion from participation in government funded healthcare programs, such as Medicare and Medicaid, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, and reputational harm, we may be required to curtail or restructure our operations. Moreover, we expect that there will continue to be federal and state laws and regulations, proposed and implemented, that could impact our future operations and business.

Healthcare reform

Our revenue and operations could be affected by changes in healthcare spending and policy in the United States and elsewhere. We operate in a highly regulated industry and new laws, regulations or judicial decisions, or new interpretations of existing laws, regulations or decisions, related to healthcare availability, the method of delivery or payment for healthcare products and services could negatively impact our business, operations and financial condition. As noted above, the U.S. Congress, state legislatures and foreign regulators from time to time propose and adopt initiatives aimed at cost containment, which could impact our ability to sell our products profitably. For example, the Health Care Reform Act, substantially changed the way healthcare is financed by both governmental and private insurers. The law contains a number of provisions that affect coverage and reimbursement of drug products and/or that could potentially reduce the demand for our products such as:

- increasing rebates under state Medicaid programs for brand name prescription products and extending those rebates to Medicaid managed care;

- assessing a fee on manufacturers and importers of brand name prescription products reimbursed under certain government programs, including Medicare and Medicaid; and

- requiring manufacturers to provide a 50% discount on Medicare Part D brand name prescription products sold to Medicare beneficiaries whose prescription product costs cause the beneficiaries to be subject to the Medicare Part D coverage gap (i.e., the so-called "donut hole").

Modifications to or repeal of all or certain provisions of the Health Care Reform Act are expected as a result of the outcome of the recent presidential election and Republicans maintaining control of Congress, consistent with statements made by Donald Trump and members of Congress during the presidential campaign and following the election. We cannot predict the ultimate content, timing or effect of any changes to the Health Care Reform Act or other federal and state reform efforts. There is no assurance that federal or state healthcare reform will not adversely affect our business and financial results, and we cannot predict how future federal or state legislative, judicial or administrative changes relating to healthcare reform will affect our business.

In addition, other legislative changes have been proposed and adopted since the Health Care Reform Act was enacted. The Budget Control Act of 2011 includes provisions to reduce the federal deficit. The Budget Control Act, as amended, resulted in the imposition of 2% reductions in Medicare payments to providers which began in April, 2013 and will remain in effect through 2024 unless additional Congressional action is taken. Any significant spending reductions affecting Medicare, Medicaid or other publicly funded or subsidized health programs that may be implemented and/or any significant taxes or fees that may be imposed on us, as part of any broader deficit reduction effort or legislative replacement to the Budget Control Act, could have an adverse impact on our results of operations.

Additional regulation

In addition to the foregoing, state and federal laws regarding environmental protection and hazardous substances, including the Occupational Safety and Health Act, the Resource Conservation and Recovery Act and the Toxic Substances Control Act, affect our business. These and other laws govern the use, handling and disposal of various biologic, chemical and radioactive substances used in, and wastes generated by, operations. If our operations result in contamination of the environment or expose individuals to hazardous substances, we could be liable for damages and governmental fines. Equivalent laws have been adopted in foreign countries that impose similar obligations.

Intellectual property

We actively seek to protect the proprietary technology that we consider important to our business, including pursuing patents that cover our ADC platform, proprietary composition of matter, ADC product candidates and methods of using and manufacturing the same, as well as any other relevant inventions and improvements that are considered commercially important to the development of our business. We also rely on trade secrets, know-how and continuing technological innovation to develop and maintain our proprietary and intellectual property position.

Our commercial success will depend significantly on our ability to obtain and maintain patent and other proprietary protection for the technology, inventions and improvements we consider important to our business, defend our patents, preserve the confidentiality of our trade secrets and operate without infringing the patents and proprietary rights of third parties. Our policy is to seek to protect our proprietary and intellectual property position by, among other methods, filing U.S., international (under Patent Cooperation Treaty, or PCT) and foreign patent applications related to our proprietary technology, inventions and improvements that we consider are important to the development and implementation of our business.

The term of individual patents depends upon the legal term for patents in the countries in which they are obtained. In most countries, including the United States, the patent term is 20 years from the earliest filing date of a non-provisional patent 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 USPTO in examining and 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 a drug or biological product may also be eligible for patent term extension when FDA approval is granted, provided statutory and regulatory requirements are met. In the future, if and when our drug candidates receive approval by the FDA or foreign regulatory authorities, we expect to apply for patent term extensions on issued patents covering those drugs, depending upon the length of the clinical studies for each drug and other factors. There can be no assurance that any of our pending patent applications will issue or that we will benefit from any patent term extension or favorable adjustments to the terms of any of our patents.

As with other biotechnology and pharmaceutical companies, our ability to maintain and solidify our proprietary and intellectual property position for our drug candidates and technologies will depend on our success in obtaining effective patent claims and enforcing those claims if granted. However, our pending patent applications, and any patent applications that we may in the future file or license from third parties, may not result in the issuance of patents. We also cannot predict the breadth of claims that may be allowed or enforced in our patents. Any issued patents that we may currently own or license or may receive in the future may be challenged, invalidated, circumvented or have the scope of their claims narrowed. For example, we cannot be certain of the priority of inventions covered by pending third-party patent applications. If third parties prepare and file patent applications in the United States that also claim technology or therapeutics to which we have rights, we may have to participate in interference proceedings in the USPTO to determine priority of invention, which could result in substantial costs to us, even if the eventual outcome is favorable to us, which is highly unpredictable. In addition, because of the extensive time required for clinical development and regulatory review of a drug candidate we may develop, it is possible that, before any of our drug candidates can be commercialized, any related patent may expire or remain in force for only a short period following commercialization, thereby limiting the protection such patent would afford the respective product and any competitive advantage such patent may provide. For more information regarding the risks related to our intellectual property, please see "Risk factors—Risks related to our intellectual property."

As of December 31, 2016, we owned, in all of our patent portfolios, six issued U.S. patents, ten pending non-provisional U.S. patent applications, six pending provisional U.S. patent applications, five foreign issued patents and 73 foreign patent applications pending in a number of jurisdictions, including, but not limited to, Australia, Brazil, Canada, China, Europe, Eurasia, Gulf Cooperation Council, Hong Kong, Israel, India, Indonesia, Iran, Japan, Mexico, Macau, New Zealand, Russia, South Korea, South Africa and Taiwan Our six issued U.S. patents covering our Fleximer ADC platform are projected to expire in 2032, and any patents that may issue from our pending U.S. applications would be projected to expire between 2032 and 2037, in each case, excluding any additional term for patent term adjustments or patent term extensions. In addition, we have exclusively in-licensed two issued U.S. patents, one pending U.S. patent application and one issued European patent for the NaPi2b antibody from Recepta. These in-licensed issued U.S. and foreign patents are projected to expire in 2029, excluding any additional term for patent term adjustments or patent term extensions. We have so far not filed for patent protection in all national and regional jurisdictions where such protection may be available. In addition, we may decide to abandon national and regional patent applications before they are granted. Finally, the grant proceeding of each national or regional patent is an independent proceeding which may lead to situations in which applications might in some jurisdictions be refused by the relevant registration authorities, while granted by others. It is also

quite common that depending on the country, various scopes of patent protection may be granted on the same product candidate or technology.

The intellectual property portfolio of our ADC platform, our ADC product candidates and components thereof are summarized below. Some of these portfolios are in very early stages and, with respect to most of the pending patent applications prosecution has yet to commence. Prosecution is a lengthy process, during which the scope of the claims initially submitted for examination by the USPTO may be narrowed (sometimes significantly) by the time they issue, if they issue at all. We expect this to be the case with respect to our pending patent applications referred to below.

Fleximer ADC platform

The intellectual property portfolio for our Fleximer ADC platform is directed to compositions of matter for the Fleximer ADCs, as well as methods of using and making these novel conjugates, compositions of matter for Fleximer drug conjugates prior to conjugate with the antibody or antibody fragment and methods of making the same and compositions of matter for our proprietary auristatin compounds and conjugates thereof (e.g., to Fleximer and/or an antibody or antibody fragment). As of December 31, 2016, we owned six issued U.S. patents, two pending U.S. patent applications, five issued foreign patents and 19 pending foreign patent applications in a number of jurisdictions, including Australia, Brazil, Canada, China, Europe, Hong Kong, Israel, India, Japan, Macau, Mexico, Russia, South Korea, and Taiwan. Any U.S. or ex-U.S. issued patents or patents issuing from the pending applications covering the Fleximer ADC platform are projected to expire in June 2032, excluding any additional term for patent term adjustments or patent term extensions.

Dolaflexin ADC platform

The intellectual property portfolio for our Dolaflexin ADC platform is directed to compositions of matter for the Dolaflexin ADCs, as well as methods of using and making these novel conjugates, compositions of matter for Dolaflexin drug conjugates prior to conjugation with the antibody or antibody fragment and methods of making the same. As of December 31, 2016, we owned one pending U.S. patent application and 12 pending foreign patent applications in a number of ex-U.S. jurisdictions, including Australia, Brazil, Canada, China, Eurasia, Europe, Israel, India, Japan, South Korea, Mexico and South Africa. Any U.S. or ex-U.S. patent issuing from the pending applications covering Dolaflexin ADC platform are projected to expire in October 2034, excluding any additional term for patent term adjustments or patent term extensions.

XMT-1522 ADC

The intellectual property portfolio for our HER2 ADC product candidate, XMT-1522, is directed to compositions of matter for our novel HER2 antibody or fragment thereof and conjugates thereof (including XMT-1522) based on our Dolaflexin platform, as well as methods of using and making these novel conjugates. This intellectual property portfolio covering the novel HER2 antibody or fragment thereof is assigned to us from Adimab. As of December 31, 2016, we owned two pending U.S. patent applications and 40 pending foreign patent applications in a number of jurisdictions, including Algeria, African Regional Intellectual Property Organization, or the ARIPO, Argentina, Australia, Brazil, Canada, Chile, China, Columbia, Costa Rica, Dominican Republic, Ecuador, Egypt, Eurasia, Europe, Georgia, Gulf Cooperation Council, Israel, India, Indonesia, Iran, Japan, Pakistan, South Korea, Malaysia, Mexico, New Zealand, Peru, Philippines, Singapore, South Africa, Thailand, Taiwan, Tunisia, Ukraine, Uzbekistan and Vietnam. Any U.S. or ex-U.S. patent issuing from the pending applications covering XMT-1522 ADC platform are projected to expire in June 2035, excluding any additional term for patent term adjustments or patent term extensions.

XMT-1536 ADC

The intellectual property portfolio for our NaPi2b ADC product candidate, XMT-1536, is directed to compositions of matter for our novel ADC based on exclusively in-licensed NaPi2b antibody and our Dolaflexin platform, as well as methods of using and making these novel conjugates. As of December 31, 2016, we owned three pending provisional patent applications directed to the composition of matter for XMT-1536, and methods of using and making same. We intend to file patent applications in the U.S., as well as a number of ex-U.S. jurisdictions, including Argentina, Australia, Brazil, Canada, China, Eurasia, Europe, Gulf Cooperation Council, Israel, India, Japan, Pakistan, South Korea, Mexico, South Africa and Taiwan. Any U.S. or ex-U.S. patent issuing from applications claiming priority to the pending provisional applications covering XMT-1536 are projected to expire in March 2037, excluding any additional term for patent term adjustments or patent term extensions.

We have in-licensed two issued U.S. patents, one pending U.S. patent application and one issued European patent for the novel NaPi2b antibody from Recepta, which Recepta licensed from Ludwig Institute for Cancer Research. These in-licensed issued U.S. and European patents are projected to expire in 2029, excluding any additional term for patent term adjustments or patent term extensions. Recepta still owns one pending Brazilian patent application for the NaPi2b antibody, which is not licensed to us. A patent based on this Brazilian patent application is projected to expire in 2029.

In addition to patents, we rely upon unpatented trade secrets and know-how and continuing technological innovation to develop and maintain our competitive position. We seek to protect our proprietary information, in part, by executing confidentiality agreements with our collaborators and scientific advisors and non-competition, non-solicitation, confidentiality and invention assignment agreements with our employees and consultants. We have also executed agreements requiring assignment of inventions with selected scientific advisors and collaborators. The confidentiality agreements we enter into are designed to protect our proprietary information and the agreements or clauses requiring assignment of inventions to us are designed to grant us ownership of technologies that are developed through our relationship with the respective counterparty. We cannot guarantee, however, that we will have executed such agreements with all applicable employees and contractors, or that these agreements will afford us adequate protection of our intellectual property and proprietary information rights. With respect to the building of our proprietary compound library, we consider trade secrets and know-how to be our primary intellectual property. Trade secrets and know-how can be difficult to protect. In particular, we anticipate that with respect to this technology platform, these trade secrets and know-how will over time be disseminated within the industry through independent development and public presentations describing the methodology. For more information regarding the risks associated with our trade secrets, please see "Risk factors—Risks related to our intellectual property—Confidentiality agreements with employees and third parties may not prevent unauthorized disclosure of trade secrets and other proprietary information."

Competition

The biotechnology and biopharmaceutical industries, and the oncology subsector, are characterized by rapid evolution of technologies, fierce competition and strong defense of intellectual property. Any product candidates that we successfully develop and commercialize will have to compete with existing therapies and new therapies that may become available in the future. While we believe that our proprietary ADC platform and scientific expertise provide us with competitive advantages, a wide variety of institutions, including large biopharmaceutical companies, specialty biotechnology companies, academic research

departments and public and private research institutions, are actively developing potentially competitive products and technologies. These competitors generally fall within the following categories:

New cancer treatments: Many global pharmaceutical companies, as well as medium and small biotechnology companies, are pursuing new cancer treatments whether small molecules, biologics or ADCs. Any of these treatments could prove to be superior clinically to our products.

ADC platforms: Although Dolaflexin and the new platform initiatives we have underway are highly differentiated and proprietary, many companies continue to invest in innovation in the ADC field including new payload classes, new conjugation approaches and new targeting moieties. Any of these initiatives could lead to a platform that has superior properties to ours. We are aware of multiple companies with ADC technologies that may be competitive to our ADC platforms, including Astellas, AstraZeneca, Bristol-Myers Squibb, Daiichi Sankyo, ImmunoGen, Immunomedics, Pfizer and Seattle Genetics. These companies or their partners, including AbbVie, Genentech, Lilly, Novartis, Sanofi and Takeda, may develop ADCs based on these ADC technologies which compete in the same indications as our current and future ADC product candidates. We expect to compete on improved efficacy, safety and tolerability compared to other ADCs and if our products are not demonstrably superior in these respects compared to other approved therapeutics, we may not be able to compete effectively.

One of the two currently approved and broadly available ADC therapies in the United States, ado-trastuzumab emtansine marketed by Genentech, is a HER2-targeted ADC approved for use in HER2-positive patients and, even though we are developing, and expect to get approval for, XMT-1522 for lower expressing HER2 patients, ado-trastuzumab emtansine may compete with our HER2-targeted ADC, XMT-1522, if XMT-1522 is approved.

Many of our competitors, either alone or with strategic partners, have substantially greater financial, technical and human resources than we do. Accordingly, our competitors may be more successful than us in obtaining approval for treatments and achieving widespread market acceptance, rendering our treatments obsolete or non-competitive. Accelerated merger and acquisition activity in the biotechnology and biopharmaceutical industries may result in even more resources being concentrated among a smaller number of our competitors. These companies also compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical study sites and patient registration for clinical studies and acquiring technologies complementary to, or necessary for, our programs. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Our commercial opportunity could be substantially limited in the event that our competitors develop and commercialize products that are more effective, safer, less toxic, more convenient or less expensive than our comparable products. In geographies that are critical to our commercial success, competitors may also obtain regulatory approvals before us, resulting in our competitors building a strong market position in advance of our products' entry. We believe the factors determining the success of our programs will be the efficacy, safety and tolerability of our product candidates

Employees

As of March 10, 2017, we had 68 full time employees, including 55 with M.D., Ph.D. or other advanced degrees. Of these full time employees, 57 are engaged in research and development and 11 are engaged in general and administrative activities. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We consider our relationship with our employees to be good.

Facilities

We occupy approximately 34,000 square feet of office and laboratory space in Cambridge, MA under a lease that expires in early 2019. We expect that this space will be sufficient to cover our needs until the lease expires.

Legal proceedings

From time to time, we may be subject to various legal proceedings and claims that arise in the ordinary course of our business activities. Although the results of litigation and claims cannot be predicted with certainty, as of the date of this prospectus, we do not believe we are party to any claim or litigation, the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Management

Executive officers and directors

The following table sets forth information regarding our executive officers and directors as of the date hereof:

Name	Age	Position(s)
Executive Officers:		
Anna Protopapas	52	President, Chief Executive Officer and Director
Eva M. Jack	49	Chief Business Officer
Donald A. Bergstrom, M.D., Ph.D.	45	Chief Medical Officer
Timothy B. Lowinger, Ph.D.	53	Chief Scientific Officer
Michael Kaufman, Ph. D.	59	Senior Vice President of Chemistry, Manufacturing and Controls
Directors:		
David Mott( )	51	Chairman
Elaine V. Jones, Ph.D.( )	62	Director
Sara Nayeem, M.D.( )	39	Director
Kristen Hege, M.D.( )	53	Director
Andrew A. F. Hack, M.D., Ph.D.( )	43	Director

(1) Member of the audit committee.

(2) Member of the compensation committee.

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

Executive officers

Anna Protopapas has served as our President and Chief Executive Officer and as a director since February 2015. Prior to joining Mersana, from October 2010 to October 2014, Ms. Protopapas served as a member of the Executive Committee of Takeda Pharmaceutical Company Limited, a global pharmaceutical company, and held various senior management positions at the company, including serving as President of Millennium Pharmaceuticals, a wholly owned subsidiary of Takeda focused on oncology, where she was responsible for leading Takeda's oncology business, and Executive Vice President of Global Business Development, where she was responsible for global acquisitions, partnering, licensing and venture investing. From October 1997 to October 2010, Ms. Protopapas served in various positions at Millennium Pharmaceuticals, including as the Senior Vice President of Strategy and Business Development and a member of the Executive Committee, where she led the company's business development initiatives. Ms. Protopapas has served on the board of directors of Bioverativ since February 2017. Previously she served on the board of directors for Ariad Pharmaceuticals from May 2015 until the sale of the company in January 2017 and served as the Chair of the Compensation Committee beginning in February 2016. She received a bachelor's degree in science and engineering from Princeton University, a master's in chemical engineering practice from the Massachusetts Institute of Technology and an M.B.A. from Stanford Graduate School of Business. We believe that Ms. Protopapas is qualified to serve as a member of our board based on her experience in the pharmaceutical industry as well as her insight into our business as President and Chief Executive Officer of our company.

Eva M. Jack has served as our Chief Business Officer since November 2013. Previously, from 2012 to 2013, she served as a consultant to various biotech companies and investors on business and financing

strategies. Before that, she served as Chief Business Officer of Pulmatrix from 2010 to 2012. Before Pulmatrix, she spent six years at MedImmune, the worldwide biologics unit of AstraZeneca, as Managing Director of MedImmune Ventures, overseeing investments in private biotechnology companies, and as a Director in MedImmune's Business Development group. Earlier in her career, Ms. Jack held a variety of positions at Intel Corp. Ms. Jack received a B.A. from the University of Virginia and a master's in health sciences from The Johns Hopkins University.

Donald A. Bergstrom, M.D., Ph.D. has served as our Chief Medical Officer since January 2014. Previously, from 2010 to 2014, Dr. Bergstrom served as Associate Vice President and Global Head of Translational and Experimental Medicine at Sanofi Oncology. Before Sanofi, Dr. Bergstrom spent six years at Merck Research Labs, serving in various roles within the Clinical Molecular Profiling, Oncology Clinical Research and Experimental Medicine Oncology groups. Dr. Bergstrom received a B.A. from The Johns Hopkins University and an M.D. and a Ph.D. in Pathology from the University of Washington.

Timothy B. Lowinger, Ph.D. has served as our Chief Scientific Officer since February 2008. Previously, Dr. Lowinger worked at Bayer Pharmaceuticals in the United States, Japan and Germany. He received a B.Sc. (Hons.) in Chemistry and a Ph.D. in Synthetic Organic Chemistry from the University of British Columbia and was a Merck Postdoctoral Fellow at the Ohio State University. He currently serves on the scientific advisory board of Keystone Symposia.

Michael Kaufman, Ph.D. has served as our Senior Vice President of Chemistry, Manufacturing and Controls since February 2016. Previously, from 2012 to 2016, Dr. Kaufman served as Vice President, Technical Development at Biogen, Inc. Before Biogen, Dr. Kaufman spent 10 years at Millennium Pharmaceuticals, most recently as Vice President, Pharmaceutical Sciences. Before that, he spent 15 years at Merck and Co., Inc. serving in various roles. Dr. Kaufman received a B.S. in Chemistry from the State University of New York, Stony Brook and a Ph.D. in Physical Organic Chemistry from the University of California, Berkeley.

Non-management directors

David Mott has served as Chairman of our board of directors since July 2012. Since 2008, Mr. Mott has served as a general partner of New Enterprise Associates, an investment firm focused on venture capital and growth equity investments, where he leads the healthcare investing practice. Previously, from 1992 until 2008, Mr. Mott worked at MedImmune Limited, a biotechnology company and subsidiary of AstraZeneca Plc, serving in numerous roles during his tenure including president and chief executive officer from October 2000 to July 2008, and previously as chief financial officer, and as president and chief operating officer. During that time, Mr. Mott also served as executive vice president of AstraZeneca Plc from June 2007 to July 2008 following AstraZeneca Plc's acquisition of MedImmune Limited in June 2007. Prior to joining MedImmune Limited, Mr. Mott was a vice president in the healthcare investment banking group at Smith Barney, Harris Upham & Co. Inc. Mr. Mott serves as the chairman of the board of directors for Adaptimmune Therapeutics plc, Ardelyx, Inc., Epizyme, Inc. and Tesaro, Inc. He also serves on the boards of directors of several privately held life sciences companies, including: 3-V Biosciences, Clementia, Cydan, Imara, Mersana, NightstaRx, Vtesse and Xtuit. Mr. Mott received a B.A. from Dartmouth College. We believe that Mr. Mott's leadership experience in the biotechnology industry, including his role as chief executive officer of MedImmune, as well as his venture capital experience, especially his experience investing in life sciences companies, and his financial experience, provide him with the qualifications and skills to serve as director.

Elaine V. Jones, Ph.D. has served as a member of our board of directors since February 2015. Since 2008, Dr. Jones has served as Vice President, Venture Capital at Pfizer Venture Investments, where she is

responsible for making and managing venture investments of strategic interest to Pfizer Inc. Prior to joining Pfizer, Dr. Jones was a General Partner with EuclidSR Partners. She began her private equity career in 1999 at S.R. One, GlaxoSmithKline's venture fund. Before that, she was Director of Scientific Licensing for SmithKline Beecham and a research scientist in SmithKline Beecham Pharmaceutical R&D. Dr. Jones currently serves on the board of directors for various privately held companies, including: Autifony Therapeutics, Blade Therapeutics, MISSION Therapeutics, Nimbus Therapeutics, Quartet Medicine, Second Genome and Storm Therapeutics. She also serves as a director at Juniata College, sitting on its marketing and investments committees. Dr. Jones previously served on the boards of directors of currently publically traded healthcare companies, including: Aquinox Pharmaceuticals, from June 2010 to January 2015, Flexion Therapeutics, from December 2009 to June 2014, MIRNA Therapeutics, from December 2012 to June 2016, and CytomX Therapeutics, from December 2014 to June 2016. Dr. Jones received a B.S. from Juniata College and a Ph.D. in Microbiology from the University of Pittsburgh. We believe that Dr. Jones' strong scientific and pharmaceutical industry background, as well as her experience in the venture capital industry, qualify her to serve as a member of our board of directors.

Sara Nayeem, M.D. has served as a member of our board of directors since July 2012. Dr. Nayeem joined New Enterprise Associates' healthcare team in 2009, and has served as a partner since 2015, focusing on investments in biopharmaceutical companies. She currently serves on the boards of several privately held life sciences companies, including: Mersana, Cydan, Vtesse and Imara, and as a board observer for Clementia, Millendo and NightstaRx. She previously served as a board observer for Tesaro, Inc., Ziarco Group Limited (acquired by Novartis), Loxo Oncology, Inc., Omthera Pharmaceuticals (acquired by AstraZeneca), Epizyme, Inc. and Zyngenia Inc. She has also been involved in New Enterprise Associates' investments in Prosensa Holding NV (acquired by BioMarin), Proteostasis Therapeutics, Inc., 3-V Biosciences, XTuit and Edimer. She also serves on the board of BioHealth Innovation Management. Prior to joining New Enterprise Associates, Dr. Nayeem was an Associate with Merrill Lynch's Global Healthcare Group, where she advised biotechnology, pharmaceutical and medical device companies on numerous mergers, acquisitions and financing transactions. Previously, she worked as an Investment Banking Analyst at Morgan Stanley. She has conducted basic science research in mammalian cardiac development and clinical research in age-related macular degeneration. Dr. Nayeem concurrently earned an M.D. *cum laude* and an M.B.A. from Yale University, where she was a Yale MBA Scholar. She received an A.B. *magna cum laude* in Biology from Harvard University. We believe that Dr. Nayeem's experience in the venture capital industry, especially her experience investing in biopharmaceutical companies, as well as her medical background, provide her with the qualifications and skills to serve as director.

Kristen Hege, M.D. has served as a member of our board of directors since August 2016. Dr. Hege was hired in 2010 as Vice President, Translational Development, and is currently a Corporate VP Translational Development at Celgene Corporation. She has also held an active faculty position at the University of California, San Francisco Medical Center since 1996, most recently as Clinical Professor of Medicine, Hematology/Oncology, serving in that role as a volunteer since 2008. Prior to Celgene, she served as Chief Medical Officer at Cellerant Therapeutics and Acting Chief Medical Officer at Aragon Pharmaceuticals and Theraclone Sciences. Dr. Hege was also a Vice President, Clinical Research and Development at Cell Genesys. Dr. Hege is a volunteer at-large director for the Society for Immunotherapy of Cancer and observing board member at Arcus Biosciences. Dr. Hege previously served on the boards of directors for BayBio/California Life Sciences Association from 2014 to 2016 and as a volunteer for Flexus Biosciences from 2014 to 2015 as a board observer. Dr. Hege received a B.A. in Biochemistry from Dartmouth College *summa cum laude*, an M.D. from University of California, San Francisco and Board certification in Hematology and Medical Oncology from the University of California, San Francisco. We believe that

Dr. Hege's medical background and experience in the biotechnology industry qualify her to serve as a director.

Andrew A. F. Hack, M.D., Ph.D. has served as a member of our board of directors since January 2017. Since July 2015, Dr. Hack has served as Chief Financial Officer of Editas Medicine. Previously, from 2011 until 2015, he served as a portfolio manager at Millennium Management, where he ran a healthcare fund focused on biotechnology, pharmaceutical and medical device companies. Before Millennium, Dr. Hack was an analyst at HealthCor Management from 2008 to 2011. Prior to HealthCor Management, Dr. Hack served as an analyst at Carlyle-Blue Wave Partners and a principal of the MPM BioEquities Fund. Dr. Hack started his investment career at Banc of America Securities, covering the biotechnology sector. He was also a co-founder of Reify Corporation, a life science tools and drug discovery company. Dr. Hack received a B.A. in Biology, an M.D. and a Ph.D. all from the University of Chicago. We believe that Dr. Hack's financial background, as well as his experience in the biotechnology sector and his medical background, qualify him to serve as a member of our board of directors.

Board composition

As of the date hereof, our board of directors consisted of six members. The members of our board of directors were elected in compliance with the provisions of the voting agreement among us and our major stockholders. The voting agreement will terminate upon the closing of this offering and we will have no further contractual obligations regarding the election of our directors. See "Certain relationships and related party transactions." Our directors hold office until their successors have been elected and qualified or until their earlier death, resignation or removal. There are no family relationships among any of our directors or executive officers.

Director independence. Our board of directors currently consists of six members. Our board of directors has determined that each of our directors, other than , are independent directors, including for purposes of the rules of The NASDAQ Stock Market and relevant federal securities laws and regulations. The NASDAQ Stock Market independence definition includes a series of objective tests, including that a director is not, and has not been for at least three years, one of our employees and that neither a director nor any of his family members has engaged in various types of business dealings with us. In addition, as required by The NASDAQ Stock Market rules, our board of directors has made a subjective determination as to each independent director that no relationships exist, which, in the opinion of our board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, our board of directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities and relationships as they may relate to us and our management. There are no family relationships among any of our directors or executive officers

Staggered board.

Our amended and restated certificate of incorporation will provide that our board of directors will be divided into three classes of directors, with the classes as nearly equal in number as practicable. Upon completion of this offering, each of these classes will be comprised of the following directors:

- Our Class I directors will be and ;
- Our Class II directors will be and ; and
- Our Class III directors will be and .

Subject to any earlier resignation or removal in accordance with the terms of our amended and restated certificate of incorporation and amended and restated by-laws that we expect to be in effect upon the closing of this offering, our Class I directors will serve until the first annual meeting of stockholders following the completion of this offering; our Class II directors will serve until the second annual meeting of stockholders following the completion of this offering; and our Class III directors will serve until the third annual meeting of stockholders following the completion of this offering.

Our amended and restated certificate of incorporation will provide that the number of our directors shall be fixed from time to time by a resolution of our board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as practicable, each class shall consist of one third of the board of directors.

Board committees

Upon the completion of this offering, our board of directors will have three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee, each of which will operate pursuant to a charter to be adopted by our board of directors.

Audit committee

Effective upon completion of this offering, our audit committee will be comprised of , and , with serving as chairman of the committee. Our board of directors has determined that each member of the audit committee meets the independence requirements of Rule 10A-3 under the Exchange Act and the applicable rules of The NASDAQ Stock Market. Our board of directors has determined that is an "audit committee financial expert" within the meaning of the SEC regulations. The audit committee's responsibilities upon completion of this offering will include:

- appointing, approving the compensation of, and assessing the qualifications, performance and independence of our independent registered public accounting firm;
- pre-approving audit and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;
- reviewing the internal audit plan with the independent registered public accounting firm and members of management responsible for preparing our financial statements;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures as well as critical accounting policies and practices used by us;
- setting policies for our hiring of employees or former employees of our independent registered public accounting firm;
- reviewing our significant risks or exposures and assessing the steps that management has taken or should take to monitor and minimize such risks or exposures;
- reviewing the adequacy of our internal control over financial reporting, including information system controls and security;
- coordinating our board of directors' oversight of our code of business conduct and our disclosure of controls and procedures;

- monitoring developments in income tax laws and regulations;
- establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns;
- recommending, based upon the audit committee's review and discussions with management and the independent registered public accounting firm, whether our audited financial statements shall be included in our Annual Report on Form 10-K;
- monitoring our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters;
- preparing the audit committee report required by the rules of the SEC to be included in our annual proxy statement;
- reviewing all related party transactions for potential conflict of interest situations and approving all such transactions; and
- reviewing and discussing with management and our independent registered public accounting firm our earnings releases and scripts.

Compensation committee

Effective upon completion of this offering, our compensation committee will be composed of , and , with serving as chairman of the committee. Our board of directors has determined that each member of the compensation committee is "independent" as defined under the applicable listing standards of The NASDAQ Stock Market. The compensation committee's responsibilities upon completion of this offering will include:

- annually reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer;
- evaluating the performance of our chief executive officer in light of such corporate goals and objectives and determining and approving the compensation of our chief executive officer;
- reviewing and approving the compensation of our other executive officers;
- appointing, compensating and overseeing the work of any compensation consultant, legal counsel or other advisor retained by the compensation committee;
- conducting the independence assessment outlined in the listing standards of The NASDAQ Stock Market with respect to any compensation consultant, legal counsel or other advisor retained by the compensation committee;
- annually reviewing and reassessing the adequacy of the committee charter;
- reviewing and establishing our overall management compensation, and our compensation philosophy and policy;
- overseeing and administering our equity compensation and other compensatory plans;
- reviewing and approving our equity and incentive policies and procedures for the grant of equity-based awards and approving the grant of such equity-based awards;

- reviewing and making recommendations to our board of directors with respect to non-employee director compensation; and
- producing a report on executive compensation to be included in our annual proxy statement or Annual Report on Form 10-K.

Nominating and corporate governance committee

Effective upon completion of this offering, our nominating and corporate governance committee will be composed of , and , with serving as chairman of the committee. Our board of directors has determined that each member of the nominating and corporate governance committee is "independent" as defined in the applicable rules of The NASDAQ Stock Market. The nominating and corporate governance committee's responsibilities upon completion of this offering will include:

- developing and recommending to our board of directors criteria for board and committee membership;
- establishing procedures for identifying and evaluating board of director candidates, including nominees recommended by stockholders;
- identifying individuals qualified to become members of our board of directors;
- recommending to our board of directors the persons to be nominated for election as directors and to each of our board's committees;
- developing and recommending to our board of directors a set of corporate governance principles;
- articulating to each director what is expected, including reference to the corporate governance principles and directors' duties and responsibilities;
- reviewing and recommending to our board of directors practices and policies with respect to directors;
- reviewing and recommending to our board of directors the functions, duties and compositions of the committees of our board of directors;
- reviewing and assessing the adequacy of the committee charter and submitting any changes to our board of directors for approval;
- considering and reporting to our board of directors any questions of possible conflicts of interest of board of directors members;
- providing for new director orientation and continuing education for existing directors on a periodic basis;
- performing an evaluation of the performance of the committee; and
- overseeing the evaluation of our board of directors and management.

Our board of directors may establish other committees from time to time.

Compensation committee interlocks and insider participation

None of the members of our compensation committee has at any time during the prior three years been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one

or more executive officers serving on our board of directors or compensation committee. For a description of transactions between us and members of our compensation committee and affiliates of such members, please see "Certain relationships and related party transactions."

Code of business conduct and ethics

We plan to adopt a code of business conduct and ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting, which will be effective upon completion of this offering. Upon the completion of this offering, our code of business conduct and ethics will be available on our website at www.mersana.com. We intend to disclose any amendments to the code, or any waivers of its requirements, on our website or in a Current Report on Form 8-K.

Executive and director compensation

Introduction

This section provides an overview of the compensation awarded to, earned by, or paid to our principal executive officer and our next two most highly compensated executive officers in respect of their service to the Company, for our fiscal year ended December 31, 2016. We refer to these individuals as our named executive officers. Our named executive officers are:

- Anna Protopapas, our Chief Executive Officer and President;
- Donald A. Bergstrom, M.D., Ph.D., our Senior Vice President and Chief Medical Officer; and
- Timothy B. Lowinger, Ph.D., our Senior Vice President and Chief Scientific Officer.

Summary compensation table

The following table sets forth the compensation awarded to, earned by, or paid to our named executive officers in respect of their service to the Company for the fiscal year ended December 31, 2016.

Name and principal position	Year	Salary ($)	Bonus ($)(1)	Option awards ($)(2)	All other compensation ($)(3)	Total ($)
Anna Protopapas *Chief Executive Officer and President*	2016	415,000	181,770	414,884	3,000	1,014,654
Donald A. Bergstrom, M.D., Ph.D. *Senior Vice President and Chief Medical Officer*	2016	357,127	135,463	202,279	—	694,869
Timothy B. Lowinger, Ph.D. *Senior Vice President and Chief Scientific Officer*	2016	357,127	135,463	119,680	3,000	615,270

(1) Amounts represent the discretionary annual cash bonuses paid to our named executive officers for 2016.

(2) Amounts represent the aggregate grant date fair value of stock option awards granted to our named executive officers in 2016, computed in accordance with FASB ASC Topic 718 and excluding the effect of estimated forfeitures. The assumptions used in the valuation of these option awards are set forth in Note 9 to our financial statements included in this prospectus on page F-29.

(3) Amounts represent 401(k) matching contributions for 2016.

Narrative disclosure to summary compensation table

Employment arrangements with our named executive officers

We have entered into a letter agreement with each of our named executive officers setting the terms and conditions of their employment with us. Each such letter agreement provides for "at will" employment. Each of our named executive officers is also party to our standard confidential information and invention assignment agreement. The material terms of the letter agreements with our named executive officers are described below.

Ms. Protopapas. We entered into a letter agreement with Ms. Protopapas on January 31, 2015, and she assumed the role of Chief Executive Officer of the Company in March 2015. Ms. Protopapas's letter agreement provides for an annual base salary of $400,000, which was increased to $415,000 effective January 1, 2016, and a discretionary annual performance bonus with a target of 35% of her annual base

salary. Ms. Protopapas is also entitled to participate in our employee benefit plans. In the event of a change in control while Ms. Protopapas is employed as our Chief Executive Officer and President, all of her then-unvested stock options will fully vest and become exercisable and will remain exercisable for 90 days following the change in control. If Ms. Protopapas's employment is terminated by us without cause (as defined in her letter agreement), she will be entitled to receive continued payment of her base salary, as then in effect, for 12 months, and if such termination of employment occurs within 12 months following a change in control, she will also be entitled to receive her then target annual bonus.

Dr. Bergstrom. We entered into a letter agreement with Dr. Bergstrom on December 24, 2013, and he assumed the role of Chief Medical Officer of the Company in January 2014. Dr. Bergstrom's letter agreement provides for an annual base salary of $335,000, which was increased to $357,127 effective January 1, 2016, and a discretionary annual performance bonus with a target of 30% of his annual base salary. Dr. Bergstrom is also entitled to participate in our employee benefit plans. In the event of a change in control while Dr. Bergstrom is employed as our Senior Vice President and Chief Medical Officer, all of his then-unvested stock options will fully vest and become exercisable and will remain exercisable for 90 days following the change in control. If Dr. Bergstrom's employment is terminated by us without cause (as defined in his letter agreement), he will be entitled to receive continued payment of his base salary, as then in effect, for nine months, and if such termination of employment occurs within 12 months following a change in control, he will also be entitled to receive his then target annual bonus.

Dr. Lowinger. We entered into a letter agreement with Dr. Lowinger on December 20, 2007, which was amended on January 10, 2014. Dr. Lowinger assumed the role of Chief Scientific Officer of the Company in February 2008. Dr. Lowinger's letter agreement, as amended, provides for an annual base salary of $335,000, which was increased to $357,127 effective January 1, 2016, and a discretionary annual performance bonus with a target of 30% of his annual base salary. Dr. Lowinger is also entitled to participate in our employee benefit plans. In the event of a change in control while Dr. Lowinger is employed as our Senior Vice President and Chief Scientific Officer, all of his then-unvested stock options will fully vest and become exercisable and will remain exercisable for 90 days following the change in control. If Dr. Lowinger's employment is terminated by us without cause (as defined in his letter agreement), he will be entitled to receive continued payment of his base salary, as then in effect, for nine months, and if such termination of employment occurs within 12 months following a change in control, he will also be entitled to receive his then target annual bonus.

Base salary and annual bonus

The annual base salaries of our named executive officers were initially set in their letter agreements with us and were increased by our board of directors in 2016 as described above.

As described above, each named executive officer has a target discretionary annual bonus set forth in his or her offer letter. Annual bonuses for 2016 for our named executive officers were determined by our board of directors based on achievement of corporate goals. For 2017, the target discretionary annual bonus, as percentage of the named executive officer's annual base salary, was 40% for Ms. Protopapas and 35% for each of Drs. Bergstrom and Lowinger.

Equity compensation

Each of our named executive officers received a grant of stock options in 2016. On August 30, 2016, Ms. Protopapas was granted an option to purchase 715,318 shares of our common stock, Dr. Bergstrom was granted an option to purchase 170,308 shares of our common stock and Dr. Lowinger was granted an option to purchase 206,344 shares of our common stock. On December 28, 2016, Dr. Bergstrom was

granted an option to purchase 150,000 shares of our common stock. Stock options granted to our named executive officers are granted under our 2007 Stock Incentive Plan, described below, and vest in equal quarterly installments following the date of grant, becoming fully vested and exercisable on the fourth anniversary of the date of grant of the stock option, subject to the named executive officer's continued employment on each applicable vesting date. Our named executive officers also hold stock options granted in years prior to 2016. See the "Outstanding equity awards at fiscal year-end table" below for more information regarding outstanding stock options held by our named executive officers as of December 31, 2016.

Outstanding equity awards at fiscal year-end table

The following table sets forth information concerning the outstanding equity awards held by each of our named executive officers as of December 31, 2016.

			Option awards	
Name	**Number of securities underlying unexercised options exercisable (#)**	**Number of securities underlying unexercised options unexercisable (#)**	**Option exercise price ($/share)**	**Option expiration date**
Anna Protopapas	1,730,702	2,225,187(1)	$ 0.34	5/7/2025
	44,707	670,611(2)	$ 0.91	8/29/2026
Donald A. Bergstrom, M.D., Ph.D.	320,375	145,625(3)	$ 0.31	1/9/2024
	178,443	297,405(4)	$ 0.34	6/11/2025
	10,644	159,664(5)	$ 0.91	8/29/2026
	—	150,000(6)	$ 1.11	12/27/2026
Timothy B. Lowinger, Ph.D.	26,600	—	$ 1.55	3/3/2018
	23,001	—	$ 1.65	5/11/2021
	465,000	—	$ 0.31	10/1/2022
	34,375	15,625(7)	$ 0.31	1/9/2024
	216,199	360,334(8)	$ 0.34	6/11/2025
	12,897	193,448(9)	$ 0.91	8/29/2026

(1) Represents an option to purchase 3,955,889 shares of our common stock granted on May 8, 2015, which vests as follows: 25% vested on March 2, 2016 and the remainder vests in 12 equal quarterly installments through March 2, 2019, subject to Ms. Protopapas's continued employment through each applicable vesting date.

(2) Represents an option to purchase 715,318 shares of our common stock granted on August 30, 2016, which vests in equal quarterly installments through August 30, 2020, subject to Ms. Protopapas's continued employment through each applicable vesting date.

(3) Represents an option to purchase 466,000 shares of our common stock granted on January 10, 2014, which vests as follows: 25% vested on January 10, 2015 and the remainder vests in 12 equal quarterly installments through January 10, 2018, subject to Dr. Bergstrom's continued employment through each applicable vesting date.

(4) Represents an option to purchase 475,848 shares of our common stock granted on June 12, 2015, which vests in equal quarterly installments through June 12, 2019, subject to Dr. Bergstrom's continued employment through each applicable vesting date.

(5) Represents an option to purchase 170,308 shares of our common stock granted on August 30, 2016, which vests in equal quarterly installments through August 30, 2020, subject to Dr. Bergstrom's continued employment through each applicable vesting date.

(6) Represents an option to purchase 150,000 shares of our common stock granted on December 29, 2016, which vests in equal quarterly installments through December 29, 2020, subject to Dr. Bergstrom's continued employment through each applicable vesting date.

(7) Represents an option to purchase 50,000 shares of our common stock granted on January 10, 2014, which vests as follows: 25% vested on January 10, 2015 and the remainder vest in 12 equal quarterly installments through January 10, 2018, subject to Dr. Lowinger's continued employment through each applicable vesting date.

(8) Represents an option to purchase 576,533 shares of our common stock granted on June 12, 2015, which vests in equal quarterly installments through June 12, 2019, subject to Dr. Lowinger's continued employment through each applicable vesting date.

(9) Represents an option to purchase 206,344 shares of our common stock granted on August 30, 2016, which vests in equal quarterly installments through August 30, 2020, subject to Dr. Lowinger's continued employment through each applicable vesting date.

Employee benefits plans

We currently provide broad-based health and welfare benefits that are available to all of our employees, including our named executive officers, including health insurance, life and disability insurance and dental insurance. In addition, we maintain a 401(k) retirement plan, under which eligible employees may elect to reduce their current compensation and have the amount of such compensation reduction contributed to the 401(k) plan on their behalf. The 401(k) plan also permits us to make discretionary employer contributions up to the limits allowed by law. In 2016 we made discretionary matching contributions to 401(k) plan. Other than the 401(k) plan, we do not provide any qualified or non-qualified retirement or deferred compensation benefits to our employees, including our named executive officers.

Payments on termination of employment or change in control

Each of our named executive officers is a party to a letter agreement with us that provides for certain payments and benefits in connection with a qualifying termination of their employment and/or a change in control, as described in "Employment arrangements with our named executive officers" above.

Director compensation

The following table sets forth a summary of the compensation we paid to our non-employee directors during 2016. Ms. Protopapas, our President and Chief Executive Officer, received no compensation for her services as a director in 2016 and, as a result, is not included in the table below. The compensation received by Ms. Protopapas for her services as an employee is described in the "Summary Compensation Table" above and the accompanying narrative description. Other than as set forth in the table below, we did not pay any compensation or make any equity or non-equity awards to any of our directors in 2016.

Name	Fees earned or paid in cash ($)	Option awards ($)	All other compensation ($)	Total ($)
David Mott	—	—	—	—
Thomas R. Beck, M.D.	—	—	—	—
Elaine V. Jones, Ph.D.	—	—	—	—
Sara Nayeem, M.D.	—	—	—	—
Kristen Hege, M.D.(1)	—	136,300	—	136,300

(1) Dr. Hege was awarded an option to purchase 235,000 shares of our common stock on August 30, 2016, which vests on August 30, 2020, subject to Dr. Hege's continued service through such date. The amounts listed in the "Option Awards" and "Total" columns represent the aggregate grant date fair value of the stock option granted to Dr. Hege, computed in accordance with FASB ASC Topic 718 and excluding the effect of estimated forfeitures. The assumptions used in the valuation of these option awards are set forth in Note 9 to our financial statements included in this prospectus on page F-29. As of December 31, 2016, Dr. Hege held 235,000 stock options and no other non-employee directors held any stock options or other equity-based awards.

Equity plans

2007 Stock incentive plan

Our 2007 Stock Incentive Plan, as amended, or our 2007 Plan, provides for the grant of incentive stock options, non-qualified stock options, restricted stock, unrestricted stock, restricted stock units, and other types of equity-based awards. As of December 31, 2016, options to purchase 2,309,526 shares of our

common stock were outstanding under our 2007 Plan. No other equity-based awards have been granted under our 2007 Plan and no further awards will be made under our 2007 Plan following the completion of this offering. In connection with this offering, we plan on adopting a new omnibus equity plan under which we will grant equity-based awards following this offering.

The 2007 Plan is administered by our board of directors, which has the discretionary authority to, among other things, determine the employees, directors and other service providers to whom awards may be granted awards, to grant awards, to determine the specific terms and conditions of each award, and to amend, modify or terminate the 2007 Plan or any award, subject to the participant's consent if such amendment, modification or termination would adversely affect his or her rights and subject to approval by our stockholders to the extent required by applicable law. Our board of directors may delegate certain of its powers under the 2007 Plan to one or more of its members, its committees or officers of the Company. As used in this summary, the term "board of directors" refers to our board of directors or its authorized delegates, as applicable.

Each of our named executive officers has been granted stock options under our 2007 Plan. The per share exercise price of each stock option granted under our 2007 Plan is determined by our board of directors and may not be less than the fair market value of a share of our common stock on the date of grant. Each stock option granted under our 2007 Plan has a term of not more than ten years from the date of grant. The time or times each stock option granted under the 2007 Plan vests and becomes exercisable is determined by our board of directors on the date of grant.

In connection with a reorganization event (as defined in our 2007 Plan), our board of directors shall take one or more of the following actions with respect to all or any outstanding awards, on such terms as it determines: (i) provide for the assumption or substitution of awards, (ii) upon notice to the applicable participant, provide that awards will become fully exercisable and terminate immediately prior to the consummation of the reorganization event unless exercised within a specified period set forth in the notice, (iii) provide that outstanding awards shall become realizable or deliverable, or restrictions applicable to an award will lapse, in whole or in part, prior to or upon the reorganization event, (iv) provide for a cash payment based on the amount our stockholders will receive upon the consummation the reorganization event or (v) provide that awards will convert into the right to receive liquidation proceeds, in the event of a liquidation or dissolution. Each stock option granted to our named executive officers will become fully vested and exercisable upon the occurrence of a change in control while the named executive officer is employed by us, as described in "Employment arrangements with our named executive officers" above.

Certain relationships and related party transactions

The following is a description of transactions since January 1, 2014 to which we have been a party, in which the amount involved exceeds $120,000 and in which any of our directors, executive officers or holders of more than 5% of our capital stock, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest.

Sales and purchases of securities

Series A-1 financing

In July 2012, we entered into a Series A-1 convertible preferred stock purchase agreement, or the Series A-1 purchase agreement, pursuant to which we agreed to issue and sell to nine investors an aggregate of 25,085,153 shares of our Series A-1 Preferred Stock at a purchase price of $1.0763 per share for aggregate consideration of $26,999,150. These shares were issued and sold in three tranches with the first tranche consisting of 11,613,497 shares sold in July 2012, the second tranche consisting of 4,645,540 shares sold in September 2013 and the third tranche consisting of 8,826,116 shares sold in April 2014. In connection with the second tranche, we issued warrants to certain of the Series A-1 investors to purchase an aggregate of 582,725 shares of our common stock at an exercise price per share of $0.01.

The table below sets forth the aggregate number of shares of Series A-1 Preferred Stock and warrants to purchase common stock sold to our directors, executive officers or holders of more than 5% of our capital stock at the time of or as a result of such issuance, and any affiliate or immediate family member thereof:

Name	Warrants for common stock	Shares of series A-1 preferred stock		Aggregate purchase price
Entities Affiliated with New Enterprise Associates	317,671	11,931,173	$	12,841,521
Pfizer Inc.	101,655	3,817,975	$	4,109,286
F-Prime Capital Partners Healthcare Fund III LP	86,070	3,232,691	$	3,479,345
Entities Affiliated with Rho Ventures	75,984	2,853,823	$	3,071,570
ProQuest Investments III, L.P.	—	2,563,896	$	2,759,521
Harris & Harris Group, Inc.	—	635,081	$	683,538

Series B-1 financing

In February 2015, we entered into a Series B-1 convertible preferred stock purchase agreement pursuant to which we agreed to issue and sell to 10 investors an aggregate of 32,936,919 shares of our Series B-1 Preferred Stock at a purchase price of $1.0763 per share for aggregate consideration of $35,450,006. These shares were to be issued and sold in three tranches with the first and second tranches consisting of 9,410,551 shares each and the third tranche consisting of 14,115,817 shares. The first tranche of Series B-1 Preferred Stock was issued and sold in February 2016. The second and third tranches were issued and sold in June 2016.

The table below sets forth the number of shares of Series B-1 Preferred Stock sold to our directors, executive officers or holders of more than 5% of our capital stock at the time of or as a result of such issuance, and any affiliate or immediate family member thereof:

Name	Shares of series B-1 preferred stock	Aggregate purchase price
New Enterprise Associates 14, L.P.	16,329,304	$ 17,575,230
Pfizer Inc.	5,225,377	$ 5,624,073
Rock Springs Capital Master Fund LP	4,645,545	$ 5,000,000
F-Prime Capital Partners Healthcare Fund III LP	4,424,343	$ 4,761,920
Entities Affiliated with Rho Ventures	1,527,328	$ 1,643,863
Anna Protopapas	325,189	$ 350,001

Series C-1 Financing

In June 2016, we entered into a Series C-1 convertible preferred stock purchase agreement pursuant to which we issued and sold an aggregate of 14,674,062 shares of our Series C-1 Preferred Stock at a purchase price of $2.25568 per share for aggregate consideration of $33,099,988 to 13 investors.

The table below sets forth the number of shares of Series C-1 Preferred Stock sold to our directors, executive officers or holders of more than 5% of our capital stock at the time of or as a result of such issuance, and any affiliate or immediate family member thereof:

Name	Shares of series C-1 preferred stock	Aggregate purchase price
Hadley Harbor Master Investors (Cayman) L.P. (Nominee Italianflare & Co.)	4,433,252	$ 9,999,998
Millennium Pharmaceuticals, Inc.	4,433,252	$ 9,999,998
New Enterprise Associates 14, L.P.	2,216,626	$ 4,999,999
Rock Springs Capital Master Fund LP	1,329,975	$ 2,999,998

Investor rights agreement

In connection with our Series B-1 Preferred Stock financing, on February 20, 2015, we entered into a second amended and restated investor rights agreement with certain holders of our common stock and the holders of all of our then-outstanding shares of preferred stock, including certain of our named executive officers, entities with which certain of our directors are affiliated and holders of more than 5% of our capital stock. In connection with our Series C-1 Preferred Stock financing, on June 15, 2016, this agreement was amended and restated as the third amended and restated investor rights agreement and the purchasers of our Series C-1 Preferred Stock became party to this agreement. Pursuant to the terms of this agreement, each holder party to the agreement has agreed to enter a lock-up agreement upon request by us and the underwriter of our common stock, subject to certain terms and conditions, and we granted certain holders of preferred stock certain information rights as well as the right to participate pro rata in any future issuance of capital stock or convertible securities. In addition, the agreement provides that the holders of preferred stock have the right to demand that we file a registration statement with respect to the common stock issued upon conversion of our preferred stock and certain other shares of common

stock. These holders may also request that certain shares of common stock held by them be included in certain registration statements that we are otherwise filing. All provisions of this agreement will terminate upon the completion of this offering other than provisions relating to registration rights and the lock-up agreements. See "Description of capital stock—Registration rights."

Voting agreement

In connection with our Series B-1 preferred stock financing, we entered into a second amended and restated voting agreement on February 20, 2015 with certain holders of our common stock and the holders of all of our then-outstanding shares of preferred stock, including certain of our named executive officers, entities with which certain of our directors are affiliated and holders of more than 5% of our capital stock. In connection with our Series C-1 Preferred Stock financing, this agreement was amended and restated on June 15, 2016 as the third amended and restated voting agreement and the purchasers of our Series C-1 Preferred Stock became party to this agreement. The voting agreement, as so amended and restated, related to the election of directors, the grant of board observer rights and certain other matters. All of our current directors were elected pursuant to the terms of this voting agreement. This agreement will terminate upon the completion of this offering.

Right of first refusal and co-sale agreement

In connection with our Series B-1 Preferred Stock financing, we entered into a second amended and restated right of first refusal and co-sale agreement on February 20, 2015 with certain holders of our common stock and the holders of all of our then-outstanding shares of preferred stock, including certain of our named executive officers, entities with which certain of our directors are affiliated and holders of more than 5% of our capital stock. In connection with our Series C-1 Preferred Stock financing, this agreement was amended and restated on June 15, 2016 as the third amended and restated right of first refusal and co-sale agreement and the purchasers of our Series C-1 Preferred Stock became party to this agreement. Pursuant to the terms of this agreement, in the event of a proposed sale of shares of our common stock, the seller was required to first offer such shares to us and to the holders of our preferred stock and allow the holders of our preferred stock to also sell their shares in such proposed sale, subject to certain conditions and restrictions. This agreement will terminate upon the completion of this offering.

Takeda collaboration agreements

In March 2014, we entered into a research collaboration and commercial license agreement with Takeda through its wholly owned subsidiary Millennium Pharmaceuticals, Inc., or Millennium, a holder of more than 5% of our capital stock, for the development and commercialization of ADC product candidates utilizing Fleximer. At the time of this transaction, Anna Protopapas, who became our President, Chief Executive Officer and Director in March 2015, was President of Millennium at the time of this transaction. This agreement was amended in October 2014 and January 2015, amended and restated in January 2016 and amended in March 2017. We have received $24.8 million in upfront payments and option fees under this agreement. If products are successfully developed and commercialized against all seven potential target antigens under this agreement, we are entitled to receive future development, regulatory and commercial milestones of up to $1.063 billion and tiered royalties on net sales of products under this agreement. For a more detailed description of this collaboration with Takeda, see "Business—Takeda ADC Platform Collaboration."

In January 2016, we entered into a development collaboration and commercial license agreement with Millennium for the global development and commercialization of XMT-1522. We have received an upfront

payment of $26.5 million and a milestone payment of $20 million under this agreement. If XMT-1522 is successfully developed and commercialized, we are entitled to receive future development, regulatory and commercial milestones of up to $288 million and tiered royalties on net sales of XMT-1522 outside of the United States and Canada under this agreement. Under this agreement, Millennium committed to make equity investments in us of up to $20 million in the aggregate in our next qualifying private financing in and in connection with our initial public offering. As described in "*Series C-1 Financing*" above, Millennium invested approximately $10 million in our Series C-1 financing and has committed to invest the remaining $10 million at the time of our initial public offering. For a more detailed description of this collaboration with Takeda, see "Business—Takeda XMT-1522 Collaboration."

Indemnification agreements and directors' and officers' liability insurance

We have entered into indemnification agreements with each of our directors and, prior to the completion of this offering, plan to enter into indemnification agreements with each of our executive officers. We also maintain a general liability insurance policy which covers certain liabilities of directors and officers of our company arising out of claims based on acts or omissions in their capacities as directors or officers.

Related person transactions policy

In connection with this offering, we plan to adopt a related person transactions policy that will govern the review and approval of related person transactions following this offering. Pursuant to this policy, if we want to enter into a transaction with a related person or an affiliate of a related person, our audit committee will review the proposed transaction to determine, based on applicable rules of The NASDAQ Stock Market and the SEC, whether such transaction requires pre-approval by our audit committee and/or our board of directors. If pre-approval is required, the proposed transaction will be reviewed at the next regular or special meeting of our audit committee and/or our board of directors. We may not enter into a related person transaction unless our audit committee has specifically confirmed in writing that either no further reviews are necessary or that all requisite corporate reviews have been obtained.

Principal stockholders

The following table sets forth information relating to the beneficial ownership of our common stock as of December 31, 2016, by:

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

The number of shares beneficially owned by each entity, person, director or executive officer is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power as well as any shares that the individual has the right to acquire within 60 days of December 31, 2016 through the exercise of any stock option, warrants or other rights. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock held by that person.

The percentage of shares beneficially owned is computed on the basis of 78,520,836 shares of our common stock outstanding as of December 31, 2016. Shares of our common stock that a person has the right to acquire within 60 days of December 31, 2016 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of

computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group.

Name and address of beneficial owner(1)	Number of shares beneficially owned	Percentage of shares beneficially owned	
		Before offering	After offering
5% or greater stockholders:			
Entities Affiliated with New Enterprise Associates(2)	30,794,774	39.2%	%
Pfizer Inc.(3)	9,145,007	11.6%	%
Entities Affiliated with F-Prime Capital Partners(4)	9,479,904	12.1%	%
Entities Affiliated with Rho Ventures(5)	5,990,385	7.6%	%
Rock Springs Capital Master Fund LP(6)	5,975,520	7.6%	%
Wellington Management Company(7)	4,433,252	5.6%	%
Millennium Pharmaceuticals, Inc.(8)	4,433,252	5.6%	%
ProQuest Investments III, L.P.(9)	4,300,698	5.5%	%
Directors and named executive officers:			
Anna Protopapas(10)	2,145,305	2.7%	*
Timothy B. Lowinger(11)	790,968	1.0%	*
Donald A. Bergstrom(12)	549,231	*	*
David Mott(2)	30,776,192	39.0%	%
Elaine V. Jones	—	—	—
Sara Nayeem	—	—	—
Kristen Hege	—	—	—
Andrew A. F. Hack	—	—	—
All executive officers and directors as a group (10 persons)	35,006,262	44.3%	%

* Represents beneficial ownership of less than one percent of our outstanding common stock.

(1) Unless otherwise indicated, the address for each beneficial owner is c/o Mersana Therapeutics, 840 Memorial Drive, Cambridge, Massachusetts 02139.

(2) Consists of (i) 11,912,591 shares of common stock issuable upon conversion of series A-1 convertible preferred stock held by New Enterprise Associates 14, L.P., or NEA 14, (ii) 18,582 shares of common stock issuable upon conversion of series A-1 convertible preferred stock held by NEA Ventures 2012, L.P., or Ven 2012, (iii) 16,329,304 shares of common stock issuable upon conversion of series B-1 convertible preferred stock held by NEA 14, (iv) 2,216,626 shares of common stock issuable upon conversion of series C-1 convertible preferred stock held by NEA 14, and (v) 317,671 shares of common stock issuable upon exercise of warrants held by NEA 14. The shares directly held by NEA 14 are indirectly held by NEA Partners 14, L.P., or NEA Partners 14, the sole general partner of NEA 14, NEA 14 GP, LTD, or NEA 14 LTD, the sole general partner of NEA Partners 14, and each of the individual Directors of NEA 14 GP, LTD. The individual Directors of NEA 14 LTD (collectively, the NEA 14 Directors) are M. James Barrett, Peter J. Barris, Forest Baskett, Anthony A. Florence, Jr., Patrick J. Kerins, David Mott, Scott D. Sandell, Peter Sonsini and Ravi Viswanathan. The shares directly held by Ven 2012 are indirectly held by Karen P. Welsh, the general partner of Ven 2012. NEA 14, NEA Partners 14, NEA 14 LTD and the NEA 14 Directors share voting and dispositive power with regard to the Company's securities directly held by NEA 14. Karen P. Welsh, the general partner of Ven 2012, has voting and dispositive power with regard to the Company's securities directly held by Ven 2012. All indirect holders of the above referenced securities disclaim beneficial ownership of all applicable shares except to the extent of their actual pecuniary interest therein. The address of New Enterprise Associates is 1954 Greenspring Drive, Suite 600, Timonium, Maryland 21093.

(3) Consists of (i) 3,817,975 shares of common stock issuable upon conversion of series A-1 convertible preferred stock held by Pfizer Inc., (ii) 5,225,377 shares of common stock issuable upon conversion of series B-1 convertible preferred stock held by Pfizer Inc., and (iii) 101,655 shares of common stock issuable upon exercise of warrants. As of March 15, 2017, the board of directors of Pfizer Inc. is comprised of the following individuals: Dennis A. Ausiello, Ronald E. Blaylock, W. Don Cornwell, Joseph J. Echevarria, Frances D. Fergusson, Helen H. Hobbs, James M. Kilts, Shantanu Narayen, Suzanne Nora Johnson, Ian C. Read, Stephen W. Sanger and James C. Smith. Pfizer Inc. is a publicly-traded company. Pfizer Inc.'s address is 235 East 42nd Street, New York, NY 10017.

(4) Consists of (i) 3,232,691 shares of common stock issuable upon conversion of series A-1 convertible preferred stock held by F-Prime Capital Partners Healthcare Fund III LP, (ii) 4,424,343 shares of common stock issuable upon conversion of series B-1 convertible preferred stock held by F-Prime Capital Partners Healthcare Fund III LP, (iii) 1,725,110 shares of common stock held by F-Prime Capital Partners Healthcare Fund LP, (iv) 11,690 shares of common stock held by F-Prime Capital Partners HC Principals Fund LP, and (v) 86,070 shares of

common stock issuable upon exercise of warrants. F-Prime Capital Partners Healthcare Advisors Fund III LP is the general partner of F-Prime Capital Partners Healthcare Fund III LP. F-Prime Capital Partners Healthcare Advisors Fund LP is the general partner of F-Prime Capital Partners Healthcare Fund LP and F-Prime Capital Partners HC Principals Fund LP. F-Prime Capital Partners Healthcare Advisors Fund III LP and F-Prime Capital Partners Healthcare Advisors Fund LP are solely managed by Impresa Management LLC, their general partner and investment manager. Each of the entities listed above expressly disclaims beneficial ownership of the securities listed above except to the extent of any pecuniary interest therein. The address of F-Prime Capital Partners is 245 Summer Street, Boston, Massachusetts 02210.

(5) Consists of (i) 1,904,711 shares of common stock issuable upon conversion of series A-1 convertible preferred stock held by Rho Ventures V, L.P., or RV V, (ii) 167,232 shares of common stock issuable upon conversion of series A-1 convertible preferred stock held by Rho Ventures V Affiliates, L.L.C., or RV V Affiliates, (iii) 644,316 shares of common stock issuable upon conversion of series A-1 convertible preferred stock held by Pinnacle Investment Partners "Q-6", L.P., or Pinnacle, (iv) 137,564 shares of common stock issuable upon conversion of series A-1 convertible preferred stock held by Kariba LLC, or Kariba, (v) 1,258,609 shares of common stock issuable upon conversion of series B-1 convertible preferred stock held by Pinnacle, (vi) 268,719 shares of common stock issuable upon conversion of series B-1 convertible preferred stock held by Kariba, (vii) 1,409,499 shares of common stock held by RV V, (viii) 123,751 shares of common stock held by RV V Affiliates, (ix) 69,851 shares of common stock issuable upon exercise of warrants held by RV V and (x) 6,133 shares of common stock issuable upon exercise of warrants held by RV V Affiliates. RMV V, L.L.C., or RMV, is the General Partner of RV V and the managing member of RV V Affiliates. Rho Capital Partners LLC, or RCP LLC, is the managing member of RMV. As such, RCP LLC and RMV possess power to direct the voting and disposition of the shares owned by RV V and RV V Affiliates and may be deemed to have indirect beneficial ownership of the shares held by RV V and RV V Affiliates. RCP LLC and RMV hold no shares of the Issuer directly. Habib Kairouz, Mark Leschly and Joshua Ruch are the managing members of RCP LLC, the managing member of RMV. As such, Messrs. Kairouz, Leschly and Ruch possess power to direct the voting and disposition of the shares owned by RV V and RV V Affiliates and may be deemed to have indirect beneficial ownership of the shares held by RV V and RV V Affiliates. Each of Messrs. Kairouz, Leschly and Ruch disclaim beneficial ownership of these shares except to the extent of their pecuniary interest therein. The general partner of Pinnacle is Pinnacle Management Partners LLC, and its managing member is RUGU Partners LLC, or Rugu. As such, Pinnacle Management Partners LLC and Rugu possess power to direct the voting and disposition of the shares owned by Pinnacle and may be deemed to have indirect beneficial ownership of the shares held by Pinnacle. Ruch is the managing member of RUGU and as such, Ruch possesses power to direct the voting and disposition of the shares owned by Pinnacle and may be deemed to have indirect beneficial ownership of the shares held by Pinnacle. Ruch disclaims beneficial ownership of the shares held by Pinnacle except to the extent of his pecuniary interest therein The managing member of Kariba is Ruch and as such, Ruch possesses power to direct the voting and disposition of the shares owned by Kariba and may be deemed to have indirect beneficial ownership of the shares held by Kariba. The address of RV V and RV V Affiliates is Carnegie Hall Tower, 152 West 57th Street, 23rd Floor, New York, NY 10019. The address of Pinnacle and Kariba is 343 Thornall Street, Suite 600, c/o Pinnacle Management Services LLC, Edison, NJ 08837.

(6) Consists of (i) 4,645,545 shares of common stock issuable upon conversion of series B-1 convertible preferred stock held by Rock Springs Capital Master Fund LP and (ii) 1,329,975 shares of common stock issuable upon conversion of series C-1 convertible preferred stock held by Rock Springs Capital Master Fund LP. Rock Springs Capital Master Fund LP and its general partner, Rock Springs General Partner LLC, each have sole voting and investment power, and Kris Jenner, Gordon Margraf "Mark" Bussard and Graham McPhail, the managers of Rock Springs General Partner LLC, each have shared voting and investment power with regard to the shares owned by Rock Springs Capital Master Fund LP. The address of Rock Springs Capital Master Fund LP is 650 South Exeter Street, Suite 1070, Baltimore, Maryland 21202.

(7) Consists of shares of 4,433,252 shares of common stock issuable upon conversion of series C-1 convertible preferred stock held by Italianflare & Co. (as nominee for Hadley Harbor Master Investors (Cayman) L.P.). Wellington Management Company LLP is the investment adviser to this entity. Wellington Management Company LLP is an investment adviser registered under the Investment Advisers Act of 1940, as amended, and is an indirect subsidiary of Wellington Management Group LLP. Wellington Management Company LLP and Wellington Management Group LLP may each be deemed to share beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of the shares indicated in the table, all of which are held of record by the entity named in the table or a nominee on its behalf. The business address of the entity named in the table is c/o Wellington Management Company LLP, 280 Congress Street, Boston, Massachusetts 02210. The business address of Wellington Management Company LLP and Wellington Management Group LLP is 280 Congress Street, Boston, Massachusetts 02210.

(8) Consists of 4,433,252 shares of common stock issuable upon conversion of shares of series C-1 convertible preferred stock held by Millennium Pharmaceuticals, Inc. Millennium Pharmaceuticals, Inc. is a wholly owned subsidiary of Takeda Pharmaceutical Company Limited. The address of Millennium Pharmaceuticals, Inc. is 40 Landsdowne Street, Cambridge, MA 02139.

(9) Consists of (i) 1,736,802 shares of common stock and (ii) 2,563,896 shares of common stock issuable upon conversion of series A-1 convertible preferred stock. ProQuest Associates III LLC, or Associates III, is the general partner of ProQuest Investments III, L.P. Jay Moorin and Alain Schreiber are managing members of Associates III. Each individual managing member disclaims beneficial ownership of these shares, except to the extent of their pecuniary interest in such shares. The address of ProQuest Investments III, L.P. is 2430 Vanderbilt Beach Road, 108-190, Naples, FL 34109.

(10) Consists of (i) 325,189 shares of common stock issuable upon conversion of series B-1 convertible preferred stock held by the Kinney/Protopapas Irrevocable Trust and (ii) 1,820,116 options to purchase common stock that are exercisable as of December 31, 2016 or will become exercisable within 60 days after such date.

(11) Consists of 790,968 options to purchase common stock that are exercisable as of December 31, 2016 or will become exercisable within 60 days after such date.

(12) Consists of 549,231 options to purchase common stock that are exercisable as of December 31, 2016 or will become exercisable within 60 days after such date.

Description of capital stock

General

The following description of our capital stock is intended as a summary only and is qualified in its entirety by reference to our amended and restated certificate of incorporation and amended and restated by-laws that will be in effect at the closing of this offering, which will be filed as exhibits to the registration statement of which this prospectus is a part, and to the applicable provisions of the DGCL. We refer in this section to our amended and restated certificate of incorporation as our certificate of incorporation, and we refer to our amended and restated by-laws as our by-laws. The description of our capital stock reflects changes to our capital structure that will occur upon the closing of this offering.

Upon the closing of this offering and the filing of our amended and restated certificate of incorporation, our authorized capital stock will consist of shares of our common stock, par value $0.0001 per share, and shares of our preferred stock, par value $0.0001 per share, all of which preferred stock will be undesignated.

As of December 31, 2016, we had issued and outstanding:

- 5,824,702 shares of our common stock;
- 72,696,134 shares of our preferred stock that are convertible into 72,696,134 shares of our common stock;
- options to purchase a total of 13,059,376 shares of our common stock with a weighted-average exercise price of $0.49 per share; and
- 582,725 warrants to purchase our common stock at an exercise price of $0.01 per share.

As of December 31, 2016, we had 67 stockholders of record.

Common stock

Dividend rights

Subject to preferences that may apply to shares of preferred stock outstanding at the time, holders of outstanding shares of common stock will be entitled to receive dividends out of assets legally available at the times and in the amounts as our board of directors may from time to time determine.

Voting rights

Each outstanding share of common stock will be entitled to one vote on all matters submitted to a vote of stockholders. Holders of shares of our common stock shall have no cumulative voting rights.

Preemptive rights

Our common stock will not be entitled to preemptive or other similar subscription rights to purchase any of our securities.

Conversion or redemption rights

Our common stock will be neither convertible nor redeemable.

Liquidation rights

Upon our liquidation, the holders of our common stock will be entitled to receive pro rata our assets which are legally available for distribution, after payment of all debts and other liabilities and subject to the prior rights of any holders of preferred stock then outstanding.

Listing

We intend to apply to list our common stock on The NASDAQ Global Market under the trading symbol " ."

Preferred stock

Our board of directors may, without further action by our stockholders, from time to time, direct the issuance of shares of preferred stock in series and may, at the time of issuance, determine the designations, powers, preferences, privileges, and relative participating, optional or special rights as well as the qualifications, limitations or restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights of the common stock. Satisfaction of any dividend preferences of outstanding shares of preferred stock would reduce the amount of funds available for the payment of dividends on shares of our common stock. Holders of shares of preferred stock may be entitled to receive a preference payment in the event of our liquidation before any payment is made to the holders of shares of our common stock. Under certain circumstances, the issuance of shares of preferred stock may render more difficult or tend to discourage a merger, tender offer or proxy contest, the assumption of control by a holder of a large block of our securities or the removal of incumbent management. Upon the affirmative vote of a majority of the total number of directors then in office, our board of directors, without stockholder approval, may issue shares of preferred stock with voting and conversion rights which could adversely affect the holders of shares of our common stock and the market value of our common stock. Upon consummation of this offering, there will be no shares of preferred stock outstanding, and we have no present intention to issue any shares of preferred stock.

Registration rights

We are party to a third amended and restated investor rights agreement that grants certain registration rights to the holders of shares of our common stock issuable upon conversion of the shares of preferred stock. The shares subject to registration rights under this third amended and restated investor rights agreement, or the registrable shares, will represent approximately % of our outstanding common stock after this offering, or % if the underwriters exercise their option to purchase additional shares.

Under the third amended and restated investor rights agreement, holders of registrable shares can demand that we file a registration statement or request that their shares be included on a registration statement that we are otherwise filing, in either case, registering the resale of their shares of common stock. These registration rights are subject to conditions and limitations, including the right, in certain circumstances, of the underwriters of an offering to limit the number of shares included in such registration and our right, in certain circumstances, not to effect a requested S-1 or S-3 registration during the period that is 60 days before our estimated date of filing of, and ending on a date that is 90 days (or 180 days in the case of our initial public offering) after the effective date of, a company-initiated registration statement.

The registration rights of any holder will terminate upon the earliest to occur of: (i) the date on which such holder holds no registrable shares, (ii) such time as Rule 144 or another similar exemption under the

Securities Act is available for the sale of all of such holder's registrable shares without the requirement for us to be in compliance with the current publication information required under Rule 144(c)(1), and (iii) the fifth anniversary of this offering.

Demand registration rights

After the expiration of the 180-day period following the completion of this offering, the holders of at least a majority of the registrable shares may require us to file a registration statement on Form S-1 under the Securities Act at our expense with respect to the resale of their registrable shares at an aggregate offering price to the public (net of underwriting discounts and commissions) of not less than $10 million, and we are required to use our commercially reasonable efforts to effect the registration and our reasonable best efforts to do so within 90 days.

At any time when we are eligible to file a registration statement on Form S-3 under the Securities Act, any holders of the registrable shares may require us to file a registration statement on Form S-3 at our expense with respect to the resale of their registrable shares at an aggregate offering price to the public (net of underwriting discounts and commissions) of not less than $3 million, and we are required to use our commercially reasonable efforts to effect the registration and our reasonable best efforts to do so within 90 days.

Piggyback registration rights

If we propose to register any of our securities under the Securities Act for our own account or the account of any other holder (excluding any registration on a form that does not permit secondary sales, any demand registration or any registration related to employee benefit plans, the offer or sale of debt securities, a corporate reorganization or other Rule 145 transaction), the holders of registrable shares are entitled to notice of such registration and to request that we include registrable shares for resale on such registration statement, and we are required to use our commercially reasonable efforts to include such shares in such registration statement.

The third amended and restated investor rights agreement contains customary cross-indemnification provisions, pursuant to which we are obligated to indemnify the selling stockholders in the event of misstatements or omissions in the registration statement attributable to us or any violation of the federal or state securities laws, rules or regulations and they are obligated to indemnify us for misstatements or omissions in the registration statement attributable to them.

We are required to pay substantially all expenses incurred in connection with registrations, filings or qualifications, including the reasonable fees and disbursements (not to exceed $100,000) of one counsel for the selling stockholders. We are not required to pay registration expenses if a demand or piggyback registration is withdrawn by holders of at least a majority of shares to be registered, unless the withdrawal is due to discovery of a materially adverse change in our business.

Anti-takeover effects of our certificate of incorporation and our by-laws

Our certificate of incorporation and by-laws will contain certain provisions that are intended to enhance the likelihood of continuity and stability in the composition of our board of directors but which may have the effect of delaying, deferring or preventing a future takeover or change in control of us unless such takeover or change in control is approved by our board of directors.

These provisions include:

Classified board. Our certificate of incorporation will provide that our board of directors will be divided into three classes of directors, with the classes as nearly equal in number as practicable. As a result, approximately one-third of our board of directors will be elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our board. Our certificate of incorporation will also provide that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors will be fixed exclusively pursuant to a resolution adopted by our board of directors. Upon completion of this offering, we expect that our board of directors will have members.

Action by written consent; special meetings of stockholders. Our certificate of incorporation will provide that stockholder action can be taken only at an annual or special meeting of stockholders and cannot be taken by written consent in lieu of a meeting. Our certificate of incorporation and the by-laws will also provide that, except as otherwise required by law, special meetings of the stockholders can only be called pursuant to a resolution adopted by a majority of our board of directors. Except as described above, stockholders will not be permitted to call a special meeting or to require our board of directors to call a special meeting.

Removal of directors. Our certificate of incorporation will provide that our directors may be removed only for cause by the affirmative vote of at least 75% of the voting power of our outstanding shares of capital stock, voting together as a single class. This requirement of a supermajority vote to remove directors could enable a minority of our stockholders to prevent a change in the composition of our board.

Advance notice procedures. Our by-laws will establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to the board of directors. Stockholders at an annual meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our board of directors or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. Although the by-laws will not give our board of directors the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the by-laws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of us.

Supermajority approval requirements. The DGCL generally provides that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or by-laws, unless either a corporation's certificate of incorporation or by-laws requires a greater percentage. Our certificate of incorporation and by-laws will provide that the affirmative vote of holders of at least 75% of the total votes eligible to be cast in the election of directors will be required to amend, alter, change or repeal specified provisions. This requirement of a supermajority vote to approve amendments to our certificate of incorporation and by-laws could enable a minority of our stockholders to exercise veto power over any such amendments.

Authorized but unissued shares. Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate

acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of a majority of our common stock by means of a proxy contest, tender offer, merger or otherwise.

Exclusive forum. Our certificate of incorporation will require, to the fullest extent permitted by law, that derivative actions brought in the name of the Company, actions against directors, officers and employees for breach of a fiduciary duty and other similar actions may be brought only in specified courts in the State of Delaware. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers. See "Risk factors—Our amended and restated certificate of incorporation designates the state or federal courts within the State of Delaware as the exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees."

Section 203 of the DGCL

Upon completion of this offering, we will be subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes, among other things, a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested stockholder status, 15% or more of the corporation's voting stock.

Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions: before the stockholder became interested, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or at or after the time the stockholder became interested, the business combination was approved by our board of directors of the corporation and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

A Delaware corporation may "opt out" of these provisions with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or by-laws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

Transfer agent and registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A. The transfer agent and registrar's address is 250 Royall Street, Canton, Massachusetts 02021.

Shares eligible for future sale

Prior to this offering, there has been no public market for our common stock. Future sales of our common stock, including shares issued upon the exercise of outstanding options or warrants, in the public market after this offering, or the perception that those sales may occur, could cause the prevailing market price for our common stock to fall or impair our ability to raise equity capital in the future. As described below, only a limited number of shares of our common stock will be available for sale in the public market for a period of several months after completion of this offering due to contractual and legal restrictions on resale described below. Future sales of our common stock in the public market either before (to the extent permitted) or after restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price of our common stock at such time and our ability to raise equity capital at a time and price we deem appropriate.

Sale of restricted shares

Upon the closing of this offering, based on the number of shares of our common stock outstanding as of December 31, 2016, we will have approximately shares of common stock outstanding. Of these shares, all of the shares of common stock to be sold in this offering, and any shares sold upon exercise of the underwriters' option to purchase up to additional shares, will be freely tradable in the public market without restriction or further registration under the Securities Act of 1933, as amended, or the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 of the Securities Act. All remaining shares of common stock held by existing stockholders immediately prior to the completion of this offering will be "restricted securities" as such term is defined in Rule 144. These restricted securities were issued and sold by us, or will be issued and sold by us, in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under the Securities Act, including the exemptions provided by Rule 144 or Rule 701, which rules are summarized below.

As a result of the lock-up agreements referred to below and the provisions of Rule 144 and Rule 701 under the Securities Act, the shares of our common stock that will be available for sale in the public market are as follows:

Approximate Number of shares	First date available for sale into public market
shares	On the date of this prospectus
shares	180 days after the date of this prospectus upon expiration of the lock-up agreements referred to below, subject in some cases to applicable volume limitations under Rule 144

Lock-up agreements

In connection with this offering, we, our directors, our executive officers and stockholders beneficially owning substantially all of our shares of common stock have agreed, subject to certain exceptions, with the underwriters not to dispose of or hedge any shares of our common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of the lock-up agreement continuing through the date 180 days after the date of this prospectus, except with the prior written consent of J.P. Morgan Securities LLC, Cowen and Company, LLC and Leerink Partners LLC, together the representatives of the underwriters. The lock-up restrictions and specified exceptions are described in more detail in the section under the heading "Underwriting."

Following the lock-up periods set forth in the agreements described above, and assuming that the representatives of the underwriters do not release any parties from these agreements, all of the shares of our common stock that are restricted securities or are held by our affiliates as of the date of this prospectus will be eligible for sale in the public market in compliance with Rule 144 under the Securities Act.

In addition, pursuant to our third amended and restated investor rights agreement, the parties thereto have agreed that, if requested by us and the representatives of the underwriters of the initial public offering of our securities, they will not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale of any shares of our common stock (or any other security) held by such party immediately prior to this offering (and excluding any shares of common stock acquired in this offering or in the open market following this offering) during the same 180-day restricted period referred to above and to execute a market standoff agreement with the underwriters in customary form and consistent with these restrictions. We expect the representatives of the underwriters to invoke this request prior to the completion of this offering and, accordingly, that the parties to this agreement will be subject to these restrictions.

Pursuant to our standard forms of option agreements under our 2007 Stock Incentive Plan, recipients of options to purchase our common stock under our 2007 Stock Incentive Plan have also agreed not to sell, make short sale of, loan, grant any options for the purchase of or otherwise dispose of any shares of our common stock without our prior written consent or the consent of the underwriters during the same 180-day restricted period referred to above and to execute any agreement reflecting such restrictions requested by us or the underwriters.

Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, a person (or persons whose shares are required to be aggregated) who is not deemed to have been one of our "affiliates" for purposes of Rule 144 at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months, including the holding period of any prior owner other than one of our "affiliates," is entitled to sell those shares in the public market (subject to the lock-up agreement referred to above, if applicable) without complying with the manner of sale, volume limitations or notice provisions of Rule 144, but subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than "affiliates," then such person is entitled to sell such shares in the public market without complying with any of the requirements of Rule 144 (subject to the lock- up agreement referred to above, if applicable). In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, our "affiliates," as defined in Rule 144, who have beneficially owned the shares proposed to be sold for at least six months are entitled to sell in the public market, upon expiration of any applicable lock-up agreements and within any three-month period, a number of those shares of our common stock that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, which will equal approximately shares of common stock immediately after 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 on Form 144 with respect to such sale.

Such sales under Rule 144 by our "affiliates" or persons selling shares on behalf of our "affiliates" are also subject to certain manner of sale provisions, notice requirements and to the availability of current public information about us. Notwithstanding the availability of Rule 144, the holders of substantially all of our restricted securities have entered into lock-up agreements as referenced above and their restricted securities will become eligible for sale (subject to the above limitations under Rule 144) upon the expiration of the restrictions set forth in those agreements.

Rule 701

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

Equity incentive plans

We intend to file with the SEC a registration statement under the Securities Act covering the shares of common stock that we may issue upon exercise of outstanding options reserved for issuance under the 2007 Incentive Option Plan and the 2017 Stock Option Plan. Such registration statement is expected to be filed and become effective as soon as practicable after the completion of this offering. Accordingly, shares registered under such registration statement will be available for sale in the open market following its effective date, subject to the lock-up agreements described above, if applicable.

Material U.S. federal income and estate tax considerations for non-U.S. holders of common stock

The following is a summary of the material U.S. federal income and estate tax considerations relating to the purchase, ownership and disposition of our common stock by Non-U.S. Holders (defined below). This summary does not purport to be a complete analysis of all the potential tax considerations relevant to Non-U.S. Holders. This summary is based upon the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code, the Treasury regulations promulgated or proposed thereunder and administrative and judicial interpretations thereof, all as of the date hereof and all of which are subject to change at any time (including as a result of tax reform in the United States), possibly on a retroactive basis.

This summary assumes that shares of our common stock are held as "capital assets" within the meaning of Section 1221 of the Internal Revenue Code (generally, property held for investment). This summary does not purport to deal with all aspects of U.S. federal income and estate taxation that might be relevant to particular Non-U.S. Holders in light of their particular investment circumstances or status, nor does it address specific tax considerations that may be relevant to particular persons (including, for example, financial institutions, broker-dealers, insurance companies, partnerships or other pass-through entities, certain U.S. expatriates, tax-exempt organizations, pension plans, "controlled foreign corporations", "passive foreign investment companies", corporations that accumulate earnings to avoid U.S. federal income tax, persons in special situations, such as those who have elected to mark securities to market or those who hold our common stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment, or holders subject to the alternative minimum tax). In addition, except as explicitly addressed herein with respect to estate tax, this summary does not address estate and gift tax considerations, the Medicare contribution tax on net investment income, or considerations under the tax laws of any state, local or non-U.S. jurisdiction.

For purposes of this summary, a "Non-U.S. Holder" means a beneficial owner of our common stock that for U.S. federal income tax purposes is not classified as a partnership and is not:

- an individual who is a citizen or resident of the United States;
- a corporation or any other organization taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is included in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (1) a U.S. court is able to exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all of the trust's substantial decisions or (2) the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of persons treated as its partners for U.S. federal income tax purposes will generally depend upon the status of the partner as well as the activities of the partnership. Partnerships and other entities that are classified as partnerships for U.S. federal income tax purposes and persons holding our common stock through a partnership or other entity classified as a partnership for U.S. federal income tax purposes are urged to consult their own tax advisors.

There can be no assurance that the Internal Revenue Service, or IRS, will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain a ruling from the IRS with respect to the U.S. federal income or estate tax consequences to a Non-U.S. Holder of the purchase, ownership or disposition of our common stock.

THIS SUMMARY IS FOR GENERAL INFORMATION ONLY. NON-U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME AND ESTATE TAXATION, STATE, LOCAL AND NON-U.S. TAXATION AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK.

Distributions on our common stock

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. In the event that we do make a distribution of cash or property with respect to our common stock, any such distributions generally will constitute dividends for U.S. federal income tax purposes to the extent of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will constitute a return of capital and will first reduce the holder's adjusted tax basis in our common stock, but not below zero. Any remaining excess will be treated as capital gain, subject to the tax treatment described below in "—Gain on Sale, Exchange or Other Taxable Disposition of Our Common Stock." Any such distribution would also be subject to the discussions below under the sections titled "—Additional Withholding and Reporting Requirements" and "—Backup Withholding and Information Reporting."

Dividends paid to a Non-U.S. Holder generally will be subject to a 30% U.S. federal withholding tax unless such Non-U.S. Holder provides us or the applicable withholding agent, as the case may be, with the appropriate IRS Form W-8, such as:

- IRS Form W-8BEN or IRS Form W-8BEN-E (or successor forms) certifying, under penalties of perjury, entitlement to a reduction in withholding under an applicable income tax treaty, or

- IRS Form W-8ECI (or successor form) certifying that a dividend paid on common stock is not subject to withholding tax because it is effectively connected with a trade or business in the United States of the Non-U.S. Holder (in which case such dividend generally will be subject to regular graduated U.S. tax rates as described below).

The certification requirement described above must be provided to us or the applicable withholding agent prior to the payment of dividends, and may be required to be updated periodically. The certification also may require a Non-U.S. Holder that provides an IRS form or that claims treaty benefits to provide its U.S. taxpayer identification number. Special certification and other requirements apply in the case of certain Non-U.S. Holders that hold shares of our common stock through intermediaries or are pass-through entities for U.S. federal income tax purposes.

Each Non-U.S. Holder is urged to consult its own tax advisor about the specific methods for satisfying these requirements. A claim for exemption from U.S. federal withholding tax will not be valid if the person receiving the applicable form has actual knowledge or reason to know that the statements on the form or other certification are false.

If dividends are effectively connected with a trade or business in the United States of a Non-U.S. Holder (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment), the Non-U.S. Holder, although exempt from the withholding tax described above (provided that the certifications described above are satisfied), generally will be subject to U.S. federal income tax on such dividends on a net income basis in the same manner as if it were a resident of the United States. In addition, if a Non-U.S. Holder is treated as a corporation for U.S. federal income tax purposes, the Non-U.S. Holder may be subject to an additional "branch profits tax" equal to 30% (unless reduced by an applicable income treaty) of its earnings and profits in respect of such effectively connected dividend income.

Non-U.S. Holders that do not timely provide us or the applicable withholding agent with the required certification prior to the payment of any dividends, but which are eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty, may obtain a refund or credit of any excess amount withheld by timely filing an appropriate claim for refund with the IRS.

Gain on sale, exchange or other taxable disposition of our common stock

Subject to the discussions below under the sections titled "—Additional Withholding and Reporting Requirements" and "—Backup Withholding and Information Reporting," in general, a Non- U.S. Holder will not be subject to U.S. federal income tax or withholding tax on gain realized upon such holder's sale, exchange or other taxable disposition of shares of our common stock unless (i) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition, and certain other conditions are met, (ii) we are or have been a "United States real property holding corporation", as defined in the Internal Revenue Code, or a USRPHC, at any time within the shorter of the five-year period preceding the disposition and the Non-U.S. Holder's holding period in the shares of our common stock, and certain other requirements are met, or (iii) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States).

If the first exception above applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the disposition. If the third exception above applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such gain on a net income basis in the same manner as if it were a resident of the United States, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to any earnings and profits attributable to such gain at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

Generally, a corporation is a USRPHC only if the fair market value of its United States real property interests (as defined in the Internal Revenue Code) equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. Although there can be no assurance in this regard, we believe that we are not, and do not anticipate becoming, a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our United States real property interests relative to the fair market value of other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we became a USRPHC, a Non-U.S. Holder would not be subject to U.S. federal income tax on a sale, exchange or other taxable disposition of our common stock by reason of our status as USRPHC so long as our common stock is regularly traded on an established securities market (as defined in the Internal

Revenue Code) at any time during the calendar year in which the disposition occurs and such Non-U.S. Holder does not own and is not deemed to own (either directly, indirectly or constructively) more than 5% of our common stock at any time during the shorter of the five-year period ending on the date of disposition and the holder's holding period. However, no assurance can be provided that our common stock will be regularly traded on an established securities market for purposes of the rules described above. Prospective investors are encouraged to consult their own tax advisors regarding the possible consequences to them if we are, or were to become, a USRPHC.

Additional withholding and reporting requirements

Legislation and related guidance commonly referred to as "FATCA" will impose, in certain circumstances, U.S. federal withholding at a rate of 30% on payments of (a) dividends on our common stock and (b) gross proceeds from the sale or other disposition of our common stock on or after January 1, 2019. In the case of payments made to a "foreign financial institution" as defined under FATCA and the Internal Revenue Code (including, among other entities, an investment fund), as a beneficial owner or as an intermediary, the withholding tax will generally be imposed upon such institution, subject to certain exceptions, unless such institution either (i) enters into (or is otherwise subject to) and complies with an agreement with the U.S. government, or a FATCA Agreement, or (ii) complies with applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an "IGA"). In either case, subject to certain exemptions, such institution, among other things, will be required to collect and provide to the United States or other relevant tax authorities certain information regarding U.S. account holders of such institution. In the case of payments made to a foreign entity that is not a foreign financial institution (as a beneficial owner), the withholding tax generally will be imposed, subject to certain exceptions, unless such foreign entity provides the withholding agent with a certification that it does not have any "substantial U.S. owner" (generally, any specified U.S. person that directly or indirectly owns more than a specified percentage of such entity) or that identifies its substantial U.S. owners. FATCA Agreements and implementing rules may alter the general description above.

Prospective investors should consult their own tax advisors regarding the possible impact of these rules on their investment in our common stock, and the entities through which they hold our common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the imposition of this 30% withholding tax under FATCA.

Backup withholding and information reporting

In general, information reporting will apply to distributions on our common stock paid to a Non- U.S. Holder and the tax withheld, if any, with respect to the distributions. Non-U.S. Holders may have to comply with specific certification procedures to establish that the holder is not a United States person (as defined in the Internal Revenue Code) in order to avoid backup withholding at the then applicable rate with respect to dividends on our common stock. Dividends paid to Non- U.S. Holders subject to the U.S. withholding tax, as described above under the section titled "—Distributions on Our Common Stock," generally will be exempt from U.S. backup withholding.

Information reporting and backup withholding will generally apply to the proceeds of a disposition of our common stock by a Non-U.S. Holder effected by or through the U.S. office of any broker, whether U.S. or foreign, unless the holder certifies its status as a Non-U.S. Holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected outside the United States through a non-U.S. office of a broker. However, for information reporting purposes,

dispositions effected through a non-U.S. office of a U.S. broker or a foreign broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Prospective investors should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Copies of information returns may be made available to the tax authorities of the country in which the Non-U.S. Holder resides or in which the Non-U.S. Holder is incorporated, under the provisions of a specific treaty or agreement.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder can be refunded or credited against the Non-U.S. Holder's U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

Federal estate tax

Common stock owned (or treated as owned) by an individual who is not a citizen or a resident of the United States (as defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes unless an applicable estate or other tax treaty provides otherwise, and therefore, may be subject to U.S. federal estate tax.

Underwriting

We are offering the shares of common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC, Cowen and Company, LLC and Leerink Partners LLC are acting as joint book-running managers of the offering and as representatives of the underwriters. We have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

Name	Number of shares
J.P. Morgan Securities LLC	
Cowen and Company, LLC	
Leerink Partners LLC	
Wedbush Securities Inc.	
Total	

The underwriters are committed to purchase all the shares of common stock offered by us if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the shares of common stock directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. Any such dealers may resell shares to certain other brokers or dealers at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares to the public, the offering price and other selling terms may be changed by the underwriters. Sales of shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to additional shares of common stock from us to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional shares. If any shares are purchased with this option to purchase additional shares, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is $ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the

underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Without option to purchase additional shares exercise	With full option to purchase additional shares exercise
Per Share	$	$
Total	$	$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately $.

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), in each case without the prior written consent of J.P. Morgan Securities LLC, Cowen and Company, LLC and Leerink Partners LLC for a period of 180 days after the date of this prospectus.

Our directors and executive officers, and certain of our significant shareholders have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, with limited exceptions, for a period of 180 days after the date of this prospectus, may not, without the prior written consent of J.P. Morgan Securities LLC, Cowen and Company, LLC and Leerink Partners LLC, (1) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such directors, executive officers, managers and members in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant) or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common stock or such other securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise, or (3) make any demand for or exercise any right with respect to the

registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

We will apply to have our common stock approved for listing/quotation on The NASDAQ Global Market under the symbol " ."

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of the common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the underwriters' option to purchase additional shares referred to above, or may be "naked" shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act of 1933, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the The NASDAQ Global Market, in the over-the-counter market or otherwise.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;

- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our common stock, or that the shares will trade in the public market at or above the initial public offering price.

Selling restrictions

General

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

European economic area

In relation to each Member State of the European Economic Area (each, a "Relevant Member State"), no offer of shares may be made to the public in that Relevant Member State other than:

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; or

C. in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares shall require the Company or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive. In the case of any shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

The Company, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This prospectus has been prepared on the basis that any offer of shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Relevant Member State of shares which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the underwriters have authorized, nor do they authorize, the making of any offer of shares in circumstances in which an obligation arises for the Company or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression "an offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) 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

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order, and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons").

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Other relationships

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Legal matters

The validity of the issuance of our common stock offered in this prospectus will be passed upon for us by Ropes & Gray LLP, Boston, Massachusetts. Certain legal matters in connection with this offering will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

Experts

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements at December 31, 2016 and December 31, 2015 and for each of the years then ended, as set forth in their report. We have included our financial statements in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

Where you can find more information

We have filed with the SEC a registration statement on Form S-1, including exhibits and schedules, under the Securities Act that registers the shares of our common stock to be sold in this offering. This prospectus, which constitutes a part of the registration statement, does not contain all the information contained in the registration statement and the exhibits and schedules filed as part of the registration statement. For further information with respect to us and our common stock, we refer you to the registration statement and the exhibits and schedules filed as part of the registration statement. Statements contained in this prospectus as to the contents of any contract or other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, we refer you to the copies of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit.

Upon the consummation of this offering, we will file annual, quarterly and current reports, proxy statements and other information with the SEC under the Exchange Act. You can read our SEC filings, including the registration statement, at the SEC's website at www.sec.gov.

You may read and copy this information at the SEC's Public Reference Room at 100 F Street, N.E., Washington D.C. 20549, at prescribed rates. You may obtain information regarding the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Our website address is www.mersana.com. The information contained in, and that can be accessed through, our website is not incorporated into and is not part of this prospectus.

Mersana Therapeutics, Inc.

Index to consolidated financial statements

Report of independent registered public accounting firm

The Board of Directors and Shareholders of Mersana Therapeutics, Inc.

We have audited the accompanying consolidated balance sheets of Mersana Therapeutics, Inc. as of December 31, 2015 and 2016, and the related consolidated statements of operations and comprehensive loss, convertible preferred stock and stockholders' (deficit) equity 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) and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mersana Therapeutics, Inc. at December 31, 2015 and 2016, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Boston, Massachusetts
March 17, 2017

Mersana Therapeutics, Inc.
Consolidated balance sheets
(in thousands, except share and per share data)

	December 31, 2015	December 31, 2016	Pro forma December 31, 2016 (unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 11,534	$ 100,297	$ 100,297
Accounts receivable	640	1,051	1,051
Prepaid expenses and other current assets	580	825	825
Total current assets	12,754	102,173	102,173
Property and equipment, net	1,284	2,483	2,483
Other assets	371	431	431
Total assets	$ 14,409	$ 105,087	$ 105,087
Liabilities, convertible preferred stock and stockholders' (deficit) equity			
Current liabilities:			
Accounts payable	2,025	2,068	2,068
Accrued expenses	1,656	3,428	3,428
Deferred rent	—	159	159
Deferred revenue	7,054	22,731	22,731
Total current liabilities	10,735	28,386	28,386
Deferred rent, net of current portion	—	299	299
Deferred revenue, net of current portion	10,070	37,571	37,571
Commitments (Note 12)			
Series A-1 convertible preferred stock, $0.0001 par value: 25,085,153 shares authorized; 25,085,153, 25,085,153 and no shares issued and outstanding at December 31, 2015, December 31, 2016 and December 31, 2016 pro forma, respectively (liquidation preference of $26,999 at December 31, 2016)	26,336	26,336	—
Series B-1 convertible preferred stock, $0.0001 par value: 32,936,919 shares authorized; 9,410,551, 32,936,919 and no shares issued and outstanding at December 31, 2015, December 31, 2016 and December 31, 2016 pro forma, respectively (liquidation preference of $35,450 at December 31, 2016)	9,960	35,232	—
Series C-1 convertible preferred stock, $0.0001 par value: no shares and 14,674,062 shares authorized at December 31, 2015 and 2016, respectively; no shares, 14,674,062 and no shares issued and outstanding at December 31, 2015, December 31, 2016 and December 31, 2016 pro forma, respectively (liquidation preference of $33,100 at December 31, 2016)	—	32,882	—
Stockholders' (deficit) equity:			
Common stock, $0.0001 par value; 75,500,000 and 95,000,000 shares authorized at December 31, 2015 and 2016, respectively; 5,505,652, 5,824,702 and 78,520,836 shares issued and outstanding at December 31, 2015, December 31, 2016 and December 31, 2016 pro forma, respectively	1	1	8
Additional paid-in capital	2,778	3,551	97,994
Accumulated deficit	(45,471)	(59,171)	(59,171)
Total stockholders' (deficit) equity	(42,692)	(55,619)	38,831
Total liabilities, convertible preferred stock, and stockholders' (deficit) equity	$ 14,409	$ 105,087	$ 105,087

Mersana Therapeutics, Inc.
Consolidated statements of operations and comprehensive loss
(in thousands, except per share data)

	Year ended December 31,	
	2015	2016
Collaboration revenue	$ 10,359	$ 25,171
Operating expenses:		
Research and development	21,353	32,008
General and administrative	5,347	6,984
Total operating expenses	26,700	38,992
Other income (expense):		
Other income (expense)	(89)	—
Interest income	2	121
Total other income (expense)	(87)	121
Net loss	$ (16,428)	$ (13,700)
Comprehensive loss	$ (16,428)	$ (13,700)
Net loss attributable to common stockholders	$ (16,428)	$ (13,700)
Net loss per share attributable to common stockholders—basic and diluted	$ (2.98)	$ (2.40)
Weighted-average number of common shares used in net loss per share attributable to common stockholders—basic and diluted	5,505,652	5,700,513
Pro forma net loss per share attributable to common stockholders—basic and diluted (unaudited)		$ (0.22)
Pro forma weighted average number of common shares used in net loss per share attributable to common stockholders—basic and diluted (unaudited)		61,135,049

Mersana Therapeutics, Inc.
Consolidated statements of convertible preferred stock and stockholders' (deficit) equity
(in thousands, except share and per share data)

	Series A-1 convertible preferred stock		Series B-1 convertible preferred stock		Series C-1 convertible preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Stockholders' (deficit) equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2014	25,085,153	$ 26,336	—	$ —	—	$ —	5,505,652	$ 1	$ 2,429	$ (29,043)	$ (26,613)
Issuance of Series B-1 convertible preferred stock, net of issuance costs of $168	—	—	9,410,551	9,960	—	—	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	—	—	—	—	349	—	349
Net loss	—	—	—	—	—	—	—	—	—	(16,428)	(16,428)
Balance at December 31, 2015	25,085,153	$ 26,336	9,410,551	$ 9,960	—	$ —	5,505,652	$ 1	$ 2,778	$ (45,471)	$ (42,692)
Issuance of Series B-1 convertible preferred stock, net of issuance costs of $50	—	—	23,526,368	25,272	—	—	—	—	—	—	—
Issuance of Series C-1 convertible preferred stock, net of issuance costs of $218	—	—	—	—	14,674,062	32,882	—	—	—	—	—
Exercise of stock options	—	—	—	—	—	—	319,050	—	105	—	105
Stock-based compensation expense	—	—	—	—	—	—	—	—	668	—	668
Net loss	—	—	—	—	—	—	—	—	—	(13,700)	(13,700)
Balance at December 31, 2016	25,085,153	$ 26,336	32,936,919	$ 35,232	14,674,062	$ 32,882	5,824,702	$ 1	$ 3,551	$ (59,171)	$ (55,619)
Conversion of preferred stock into common stock (unaudited)	(25,085,153)	(26,336)	(32,936,919)	(35,232)	(14,674,062)	(32,882)	72,696,134	7	94,443	—	94,450
Balance at December 31, 2016 pro forma (unaudited)	—	$ —	—	$ —	—	$ —	78,520,836	$ 8	$ 97,994	$ (59,171)	$ 38,831

Mersana Therapeutics, Inc.
Consolidated statements of cash flows
(in thousands)

	Year ended December 31,	
	2015	2016
Cash flows from operating activities		
Net loss	$ (16,428)	$ (13,700)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	297	655
Stock-based compensation	349	668
Change in deferred rent	—	102
Changes in operating assets and liabilities:		
Accounts receivable	1,197	(411)
Prepaid expenses and other current assets	(240)	(245)
Other assets	—	(60)
Accounts payable	926	(325)
Accrued expenses	544	1,726
Deferred revenue	3,719	43,178
Net cash (used in) provided by operating activities	(9,636)	31,588
Cash flows from investing activities		
Change in restricted cash	(164)	—
Purchase of property and equipment	(619)	(1,084)
Net cash used in investing activities	(783)	(1,084)
Cash flows from financing activities		
Proceeds from sale of Series B-1 convertible preferred stock, net of issuance costs	9,960	25,272
Proceeds from sale of Series C-1 convertible preferred stock, net of issuance costs	—	32,882
Proceeds from exercise of stock options	—	105
Net cash provided by financing activities	9,960	58,259
Increase (decrease) in cash and cash equivalents	(459)	88,763
Cash and cash equivalents, beginning of period	11,993	11,534
Cash and cash equivalents, end of period	$ 11,534	$ 100,297
	—	—
Supplemental disclosures of non-cash activities:		
Purchases of property and equipment included in accounts payable	$ —	$ 368
Purchases of property and equipment included in accrued expenses	$ —	$ 46
Purchases of property and equipment reimbursed by landlord	$ —	$ 356

Mersana Therapeutics, Inc.
Notes to consolidated financial statements
(in thousands, except share and per share data)

1. Nature of business and basis of presentation

Nature of business

Mersana Therapeutics, Inc. (the "Company") is a privately held clinical stage company located in Cambridge, Massachusetts.

The Company is advancing a proprietary pipeline of targeted oncology therapeutics leveraging its Dolaflexin® antibody drug conjugate platform. Mersana's first product candidate, XMT-1522, is designed to address a much broader population of HER2-expressing patients than served by currently approved HER2 therapies. Mersana also has strategic partnerships utilizing the Dolaflexin platform with multiple collaboration partners.

Risks and uncertainties

The Company is subject to risks common to companies in the biotechnology industry, including but not limited to, risks of failure of preclinical studies and clinical trials, the need to obtain marketing approval for any drug product candidate that it may identify and develop, the need to successfully commercialize and gain market acceptance of its product candidates, dependence on key personnel, protection of proprietary technology, compliance with government regulations, development by competitors of technological innovations, reliance on third party manufacturers and ability to transition from pilot-scale manufacturing to large-scale production of products.

Liquidity

The Company has an accumulated deficit of $59.2 million at December 31, 2016, and will require substantial additional capital to fund operations. The future success of the Company is dependent on its ability to identify and develop its product candidates, and ultimately upon its ability to attain profitable operations. At December 31, 2016, the Company had $100.3 million of unrestricted cash and cash equivalents.

The Company believes its cash and cash equivalents as of December 31, 2016 will be sufficient to fund the Company's operating plan for a period of at least one year from the issuance date of the financial statements. Thereafter, the Company will be required to obtain additional funding. The Company intends to pursue a public offering of its common stock to fund future operations. If the Company is unable to complete a sufficient public offering in a timely manner, it would need to pursue other financing alternatives, such as private financing of debt or equity or collaboration agreements. There can be no assurances, however, that the current operating plan will be achieved or that additional funding will be available on terms acceptable to the Company, or at all.

Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standard Codification ("ASC") and Accounting Standards Updates ("ASU") of the Financial Accounting Standards Board ("FASB").

2. Summary of significant accounting policies

Principles of consolidation

The accompanying consolidated financial statements include those of the Company and its subsidiary, Mersana Securities Corp., which was established in December 2016. All intercompany balances and transactions have been eliminated.

Use of estimates

The preparation of the Company's consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, equity, revenue, expenses and related disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. On an ongoing basis, the Company's management evaluates its estimates, which include but are not limited to the management's judgments of separate units of accounting and best estimate of selling price of those units of accounting within its revenue arrangements, accrued expenses, valuation of stock-based awards and income taxes. Actual results could differ from those estimates.

The Company utilizes significant estimates and assumptions in determining the fair value of its common stock. The Company has utilized various valuation methodologies in accordance with the framework of the American Institute of Certified Public Accountants Technical Practice Aid, *Valuation of Privately-Held Company Equity Securities Issued as Compensation*, the Practice Aid, to estimate the fair value of its common stock. Each valuation methodology includes estimates and assumptions that require the Company's judgment. These estimates and assumptions include a number of objective and subjective factors, including external market conditions, the prices at which the Company sold shares of preferred stock, the superior rights and preferences of securities senior to the Company's common stock at the time of, and the likelihood of, achieving a liquidity event, such as an initial public offering or sale. Significant changes to the key assumptions used in the valuations could result in different fair values of common stock at each valuation date.

Unaudited pro forma financial information

On February 24, 2017, the Company's board of directors authorized the management of the Company to submit on a confidential basis a registration statement with the Securities and Exchange Commission ("SEC") for the Company to sell shares of its common stock to the public. Upon the closing of a qualified initial public offering, all of the Company's outstanding convertible preferred stock will automatically convert into common stock. The unaudited pro forma consolidated balance sheet and statement of convertible preferred stock and stockholders' (deficit) equity as of December 31, 2016 assumes the conversion of all outstanding convertible preferred stock into shares of common stock upon the completion of this proposed offering.

Research and development

The Company expenses all costs incurred in performing research and development activities. Research and development expenses include salaries and benefits, materials and supplies, preclinical expenses, manufacturing expenses, stock-based compensation expense, depreciation of equipment, contract services and other outside expenses. Costs of certain development activities, such as manufacturing, are recognized based on an evaluation of the progress to completion of specific tasks. Payments for these activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred, and are reflected in the financial statements as prepaid or accrued research and development costs.

Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are deferred and capitalized. The capitalized amounts are expensed as the related goods are delivered or the services are performed. Costs associated with collaboration agreements are included in research and development expense.

Revenue recognition

The Company recognizes revenue from collaboration arrangements in accordance with FASB ASC Topic 605, *Revenue Recognition* (ASC 605). Accordingly, revenue is recognized when all of the following criteria are met:

- Persuasive evidence of an arrangement exists;
- Delivery has occurred or services have been rendered;
- The seller's price to the buyer is fixed or determinable; and
- Collectibility is reasonably assured.

Amounts received prior to satisfying the revenue recognition criteria are recorded as deferred revenue in the consolidated balance sheets. Amounts expected to be recognized as revenue within the 12 months following the balance sheet date are classified as current liabilities. Amounts not expected to be recognized as revenue within the 12 months following the balance sheet date are classified as deferred revenue, net of current portion.

Multiple element arrangements

The Company analyzes its strategic partnerships that include multiple element arrangements based on the guidance in FASB ASC Topic 605-25, *Revenue Recognition—Multiple Element Arrangements*, or ASC 605-25. Pursuant to the guidance in ASC 605-25, the Company evaluates multiple element arrangements to determine i) the deliverables included in the arrangement and ii) whether the individual deliverables represent separate units of accounting or whether they must be accounted for as a combined unit of accounting. This evaluation requires subjective determinations and requires management to make judgments about the individual deliverables and whether such deliverables are separable from the other aspects of the contractual relationship. Deliverables are considered separate units of accounting provided that: (i) the delivered item(s) has value to the customer on a stand-alone basis and (ii) the arrangement includes a general right of return relative to the delivered item(s), delivery or performance of the undelivered item(s) is considered probable and substantially in the Company's control. In assessing whether an item has stand-alone value, the Company considers factors such as the research, manufacturing and commercialization capabilities of the collaboration partner and the availability of the associated expertise in the general marketplace. In addition, the Company considers whether the collaboration partner can use the deliverable(s) for their intended purpose without the receipt of the remaining element(s), whether the value of the deliverable is dependent on the undelivered item(s) and whether there are other vendors that can provide the undelivered element(s).

Options are considered substantive if, at the inception of the arrangement, the Company is at risk as to whether the collaboration partner will choose to exercise the option. Factors that the Company considers in evaluating whether an option is substantive include the cost to exercise the option, the overall objective of the arrangement, the benefit the collaborator might obtain from the arrangement without exercising the option and the likelihood the option will be exercised. When an option is considered substantive, the Company does not consider the option or item underlying the option to be a deliverable at the inception of the arrangement and the associated option fees are not included in the allocable consideration, assuming the option is not priced at a significant and incremental discount. Conversely, when an option is not

considered substantive, the Company would consider the option including other deliverables contingent upon the exercise of the option, to be a deliverable at the inception of the arrangement and a corresponding amount would be included in the allocable arrangement consideration. Notwithstanding whether the option is considered substantive or non-substantive, if the price of the option includes a significant incremental discount, the discount would be included as a deliverable at the inception of the arrangement.

Allocation of arrangement consideration

Arrangement consideration that is fixed or determinable is allocated among the separate units of accounting using the relative selling price method. Then, the applicable revenue recognition criteria in ASC 605-25 are applied to each of the separate units of accounting in determining the appropriate period and pattern of recognition. The Company determines the selling price of a unit of accounting following the hierarchy of evidence prescribed by ASC 605-25. Accordingly, the Company determines the estimated selling price for units of accounting within each arrangement using vendor-specific objective evidence (VSOE) of selling price, if available, third-party evidence (TPE) of selling price if VSOE is not available, or best estimate of selling price (BESP) if neither VSOE nor TPE is available. The Company typically uses BESP to estimate the selling price, since it generally does not have VSOE or TPE of selling price for its units of accounting. Determining the BESP for a unit of accounting requires significant judgment. In developing the BESP for a unit of accounting, the Company considers applicable market conditions and relevant entity-specific factors, including factors that were contemplated in negotiating the agreement with the customer and estimated costs. The Company validates the BESP for units of accounting by evaluating whether changes in the key assumptions used to determine the BESP will have a significant effect on the allocation of arrangement consideration between multiple units of accounting.

Pattern of recognition

The Company recognizes arrangement consideration allocated to each unit of accounting when all of the revenue recognition criteria in ASC 605 are satisfied for that particular unit of accounting. Deliverables under collaboration agreements generally consist of licenses and research and development services. License revenue is recognized when the license is delivered when it is determined to have stand-alone value from the undelivered elements of the arrangement. If the license does not have stand-alone value, the amounts allocated to the license will be combined with the related undelivered items as a single unit of accounting. The revenue recognition of a combined unit of accounting typically follows the pattern of revenue of the last delivered item in the combined accounting unit.

The Company recognizes the amounts associated with research and development services and other service related deliverables over the associated period of performance. If there is no discernable pattern of performance or objectively measureable performance measures do not exist, then the Company recognizes revenue under the arrangement on a straight-line basis over the period the Company is expected to complete its performance obligations. Conversely, if the pattern of performance in which the service is provided to the customer can be determined and objectively measurable performance exists, then the Company recognizes revenue under the arrangement using the proportional performance method.

The Company recognizes revenue associated with license options upon exercise of the option, if the underlying license has standalone value from the other deliverables to be provided subsequent to delivery of the license. If the license does not have standalone value, the amounts allocated to the license option will be combined with the related undelivered items as a single unit of accounting.

Revenue recognized is limited to the lesser of the cumulative amount of payments received or the cumulative revenue earned determined using the straight-line method or proportional performance, as applicable, as of the period end date.

Recognition of milestones and royalties

At the inception of each arrangement that includes milestone payments, the Company evaluates whether each milestone is substantive and at-risk. This evaluation includes an assessment of whether (a) the consideration is commensurate with either (1) the entity's performance to achieve the milestone, or (2) the enhancement of the value of the delivered item(s) as a result of a specific outcome resulting at least in part from the entity's performance to achieve the milestone, (b) the consideration relates solely to past performance, and (c) the consideration is reasonable relative to all of the deliverables and payment terms within the arrangement. 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. On the milestone achievement date, assuming all other revenue recognition criteria are met and the milestone is deemed substantive and at-risk, the Company recognizes the payment as collaboration revenue. For milestones that are not deemed substantive and at-risk, where payment is reasonably assured, the Company recognizes the milestone payment over the remaining service period.

The Company will recognize royalty revenue, if any, in the period of sale of the related product(s), based on the underlying contract terms, provided that the reported sales are reliably measurable and the Company has no remaining performance obligations, assuming all other revenue recognition criteria are met.

Collaborative arrangements

The Company records the elements of its collaboration agreements that represent joint operating activities in accordance with ASC Topic 808, *Collaborative Arrangements* (ASC 808). Accordingly, the elements of the collaboration agreements that represent activities in which both parties are active participants and to which both parties are exposed to the significant risks and rewards that are dependent on the commercial success of the activities, are recorded as collaborative arrangements. The Company considers the guidance in ASC Topic 605-45, *Revenue Recognition—Principal Agent Considerations* (ASC 605-45) in determining the appropriate treatment for the transactions between the Company and its collaborative partner and the transactions between the Company and third parties. Generally, the classification of transactions under the collaborative arrangements is determined based on the nature and contractual terms of the arrangement along with the nature of the operations of the participants. To the extent revenue is generated from a collaboration, the Company will recognize its share of the net sales on a gross basis if it is deemed to be the principal in the transactions with customers, or on a net basis if it is instead deemed to be the agent in the transactions with customers, consistent with the guidance in ASC 605-45.

Fair value measurements

Fair value is defined as the price that would be received upon sale of an asset or paid to transfer a liability between market participants at measurement dates. ASC Topic 820 *Fair Value Measurement* ("ASC 820"), establishes a three-level valuation hierarchy for instruments measured at fair value. The

hierarchy is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1—Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2—Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity, or a remaining maturity at the time of purchase, of three months or less to be cash equivalents. The Company invests excess cash primarily in money market funds which are highly liquid and have strong credit ratings. These investments are subject to minimal credit and market risks. Cash and cash equivalents are stated at cost, which approximates market value.

Restricted cash

Restricted cash of $371 is recorded in other non-current assets as of December 31, 2015 and 2016 and includes amounts held as security deposits for a standby letter of credit related to a facility lease and a corporate credit card program. Changes in restricted cash are recorded as cash flows from investing activities in the accompanying consolidated statements of cash flows.

Property and equipment

Property and equipment is stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of each asset as follows:

Computer equipment, office equipment and software	3 years
Laboratory equipment	5 years
Leasehold improvements	Shorter of useful life or life of lease

Upon retirement or sale, the cost of the assets disposed of and the related accumulated depreciation are eliminated from the balance sheet and related gains or losses are reflected in the statement of operations. There were no material retirements or sales of assets during the years ended December 31, 2015 and 2016.

The Company reviews its property and equipment for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. If an impairment review is performed to evaluate an asset for recoverability, the Company compares forecasts of undiscounted cash flows expected to result from the use and eventual disposition of the asset to its carrying value. If the carrying amount of the asset exceeds its estimated undiscounted future net cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. The Company did not recognize impairment charges during the years ended December 31, 2015 and 2016.

Repairs and maintenance costs are expensed as incurred and costs of significant improvements are capitalized.

Deferred initial public offering costs

The Company capitalizes deferred initial public offering (IPO) costs, which primarily consist of direct, incremental legal and accounting fees relating to the Company's initial public offering, within other non-current assets. The deferred IPO costs will be offset against IPO proceeds upon the consummation of an offering. As of December 31, 2016, $60 of deferred issuance costs were incurred and capitalized.

Patent costs

The Company expenses patent application and related legal costs as incurred and classifies such costs as general and administrative expenses in the accompanying consolidated statements of operations.

Accounting for stock-based compensation

The Company accounts for its stock-based compensation in accordance with ASC Topic 718 Compensation—*Stock Compensation* ("ASC 718"). ASC 718 requires all stock-based payments to employees and directors to be recognized as expense in the statements of operations based on their grant date fair values. Expense related to stock awards to non-employees is required to be recognized in the statement of operations based on the awards' vesting date fair values. The Company estimates the fair value of options granted using the Black-Scholes option pricing model.

The Black-Scholes option pricing model requires inputs based on certain subjective assumptions, including (a) the expected stock price volatility, (b) the calculation of expected term of the award, (c) the risk-free interest rate and (d) expected dividends. Due to the lack of a public market for the Company's common stock and a lack of company-specific historical and implied volatility data, the Company has based its estimate of expected volatility on the historical volatility of a group of similar companies that are publicly traded. The historical volatility is calculated based on a period of time commensurate with the expected term assumption. The computation of expected volatility is based on the historical volatility of a representative group of companies with similar characteristics to the Company, including stage of product development and life science industry focus. The Company uses the simplified method as prescribed by the SEC Staff Accounting Bulletin No. 107, *Share-Based Payment*, to calculate the expected term for options granted to employees as it does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term. For options granted to non-employees, the Company utilizes the contractual term of the arrangement as the basis for the expected term assumption. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected term of the stock options. The expected dividend yield is assumed to be zero as the Company has never paid dividends and has no current plans to pay any dividends on its common stock.

There are significant judgments and estimates inherent in the determination of the fair value of our common stock. These estimates and assumptions include a number of objective and subjective factors, including external market conditions, the prices at which the Company sold shares of preferred stock, the superior rights and preferences of securities senior to its common stock at the time of, and the likelihood of, achieving a liquidity event, such as an IPO or sale. Significant changes to the key assumptions used in the valuations could result in different fair values of common stock at each valuation date.

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

The fair value of stock-based payments is recognized as expense, net of estimated forfeitures, over the requisite service period which is generally the vesting period.

Income taxes

The Company accounts for income taxes using the liability method. The difference between the financial statement and tax basis of the assets and liabilities is determined annually. Deferred income tax assets and liabilities are computed using the tax laws and rates that are expected to apply for periods in which such differences reverse. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will more likely than not be realized.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

Comprehensive income (loss)

Comprehensive income (loss) is comprised of net loss and other comprehensive loss. For the years ended December 31, 2015 and 2016 comprehensive loss equals net loss.

Net loss per share

Basic net loss per common share is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period, without consideration for potentially dilutive securities. Diluted net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted-average number of common shares and potentially dilutive securities outstanding for the period determined using the treasury-stock and if-converted methods.

For purposes of the diluted net loss per share calculation, convertible preferred stock, warrants to purchase common stock and options to purchase common stock are considered to be potentially dilutive securities, but are excluded from the calculation of diluted net loss per share because their effect would be anti-dilutive and therefore, basic and diluted net loss per share were the same for all periods presented.

The following table sets forth the outstanding potentially dilutive securities that have been excluded from the calculation of diluted net loss per share because to include them would be anti-dilutive (in common stock equivalent shares):

	Year ended December 31,	
	2015	2016
Series A-1 convertible preferred stock	25,085,153	25,085,153
Series B-1 convertible preferred stock	9,410,551	32,936,919
Series C-1 convertible preferred stock	—	14,674,062
Warrants	582,725	582,725
Stock options	9,659,257	13,059,376
Total	44,737,686	86,338,235

Pro forma net loss per share (unaudited)

Unaudited pro forma net loss per share attributable to common stockholders is computed using the weighted-average number of common shares outstanding after giving effect to the conversion of all the convertible preferred stock into shares of common stock as if such conversion had occurred at the beginning of the period presented or the date of original issuance, if later.

The following table summarizes the Company's unaudited pro forma net loss per share attributable to common stockholders:

	Year ended December 31, 2016
Net loss attributable to common stockholders	$ (13,700)
Pro forma net loss	$ (13,700)
Weighted average common shares outstanding	5,700,513
Adjustment for assumed conversion of convertible preferred stock	55,434,536
Pro forma weighted average common shares outstanding—basic and diluted	61,135,049
Pro forma basic and diluted loss per share attributable to common stockholders	$ (0.22)

Concentration of credit risk and off-balance sheet risk

Financial instruments that subject the Company to significant concentrations of credit risk consist primarily of cash, cash equivalents and accounts receivable. Substantially all of the Company's cash and cash equivalents were held at one financial institution as of December 31, 2016. As of December 31, 2016, accounts receivable consisted of amounts due from two collaborators.

The Company did not have an allowance for doubtful accounts at December 31, 2015 or 2016.

Segment information

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision-maker in deciding how to allocate resources and assess performance. The Company and the Company's chief operating decision-maker, the Company's chief executive officer, views the Company's operations and manages its business as a single operating segment, which is the business of discovering and developing antibody drug conjugates.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued a new standard, Accounting Standards Update (ASU No. 2014-09), *Revenue from Contracts with Customers*, as amended, which will supersede nearly all existing revenue recognition guidance. Under ASU No. 2014-09, an entity is required to recognize revenue upon transfer of promised goods or services to customers in an amount that reflects the expected consideration received in exchange for those goods or services. ASU No. 2014-09 defines a five-step process in order to achieve this core principle, which may require the use of judgment and estimates, and also requires expanded qualitative and quantitative disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, including significant judgments and estimates used.

The FASB has recently issued several amendments to the new standard, including clarification on accounting for licenses of intellectual property and identifying performance obligations. The amendments include ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606)—Principal versus Agent Considerations*, which was issued in March 2016, and clarifies the implementation guidance for principal versus agent considerations in ASU No. 2014-09, and ASU No. 2016-10, *Revenue from Contracts with Customers (Topic 606)—Identifying PerformanceObligations and Licensing*, which was issued in April 2016,

and amends the guidance in ASU No. 2014-09 related to identifying performance obligations and accounting for licenses of intellectual property.

The new standard permits adoption either by using (i) a full retrospective approach for all periods presented in the period of adoption or (ii) a modified retrospective approach with the cumulative effect of initially applying the new standard recognized at the date of initial application and providing certain additional disclosures. The new standard is effective for annual reporting periods beginning after December 15, 2017, with early adoption permitted for annual reporting periods beginning after December 15, 2016. The Company does not plan to early adopt, and accordingly, will adopt the new standard effective January 1, 2018.

The Company is considering using the modified retrospective approach; however, a final decision regarding the adoption method has not been finalized at this time. The Company's final determination will depend on a number of factors such as the significance of the impact of the new standard on the Company's financial results and the needs of its financial statement users.

The Company is in process of initiating its overall implementation plan and evaluation of the impact of the new standard on its accounting policies. The Company has assigned internal resources and may engage third party service providers to assist in the evaluation. The new standard may have a material impact on the revenue recognition for the Company's current arrangements with Takeda and Merck KGaA.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements—Going Concern* (ASU No. 2014-15), which requires management to assess an entity's ability to continue as a going concern every reporting period, and provide certain disclosures if management has substantial doubt about the entity's ability to operate as a going concern, by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. This guidance is effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. The Company adopted ASU No. 2014-15 for the year ended December 31, 2016. The adoption of new guidance did not have a significant impact on its financial statement disclosures.

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes* (ASU No. 2015-17), which simplifies the presentation of deferred income taxes by eliminating the need for entities to separate deferred income tax liabilities and assets into current and noncurrent amounts in a classified statement of financial position. For non-public entities, the guidance in this ASU is effective for annual periods beginning after December 15, 2017 and interim periods within annual periods beginning after December 15, 2018. Earlier application is permitted for all entities as of the beginning of an interim or an annual reporting period. The Company prospectively adopted this ASU for the year ended December 31, 2015. Prior period amounts were not retrospectively adjusted, and the adoption of this ASU did not have a material impact on the Company's consolidated balance sheets.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (ASU No. 2016-02), which will replace the existing guidance in ASC 840, Leases. The updated standard aims to increase transparency and comparability among organizations by requiring lessees to recognize lease assets and lease liabilities on the balance sheet and requiring disclosure of key information about leasing arrangements. This amendment is effective for the Company in the fiscal year beginning after December 15, 2019, but early adoption is permissible. The Company is currently evaluating the potential impact that ASU No. 2016-02 may have on its financial position and results of operations.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation—Stock Compensation* (ASU No. 2016-09), which amends ASC Topic 718, Compensation—Stock Compensation. The new standard identifies areas for

simplification involving several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, an option to recognize gross stock compensation expense with actual forfeitures recognized as they occur, as well as certain classifications on the consolidated statements of cash flows. The amendments are effective for annual reporting periods (including interim reporting periods within those years) beginning after December 15, 2016. Early adoption is permitted. A company that elects early adoption must adopt all of the amendments in the same period. The Company is currently evaluating the potential impact that ASU No. 2016-09 may have on the Company's financial statements.

In October 2016, the FASB issued ASU No. 2016-18, *Restricted Cash* ("ASU No. 2016-18"), which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and restricted cash or restricted cash equivalents. Therefore, amounts described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. ASU No. 2016-18 is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. Early adoption is permitted. The Company is evaluating the potential impact that the adoption of ASU No. 2016-18 will have on the Company's financial position or results of operations.

3. Collaboration agreements

Takeda strategic research and development partnership

In March 2014, the Company entered into a Research Collaboration and Commercial License Agreement with Takeda Pharmaceutical Company Limited (Takeda) through its wholly owned subsidiary, Millennium Pharmaceuticals, Inc. (the 2014 Agreement). The 2014 Agreement was amended in January 2015 (the 2015 Amended Agreement) and amended and restated in January 2016 (the 2016 Restated Agreement). The agreements provide Takeda with the right to develop ADCs directed to a total of seven exclusive targets over a specified period of time. Takeda will be responsible for the product development and marketing of any products resulting from this collaboration.

The 2014 Agreement was structured to allow Takeda the right to evaluate two targets upon payment of a per target technology access fee with the right to receive a development and commercialization license upon the exercise of an option with an additional payment to the Company. The 2014 Agreement also provided a limited replacement right for a target. The 2015 Amended Agreement granted Takeda the right to develop two additional targets and also gave Takeda an additional limited replacement right. The 2016 Restated Agreement provided Takeda with the right to develop three additional targets.

Under the terms of the 2014 Agreement, the Company was eligible to receive a nonrefundable technology access fee of $500 per target, payable upon designation of the target, and an option exercise fee of $1,300 per target to receive a development and commercialization license. The Company received an upfront payment of $1,150 representing the $500 technology access fee for the first designated target and a $650 nonrefundable payment creditable against the $1,300 option exercise payment for the development and commercialization license for the first designated target. In 2014, the Company also received the remaining $650 option exercise fee for the first designated target and the $500 technology access fee for the second designated target.

In connection with the 2015 Amended Agreement, the Company received a nonrefundable payment of $9,000 for the right to develop two additional targets. Takeda is required to pay $500 in order to utilize the second limited replacement right. Under the terms of the 2016 Restated Agreement, the Company

received a nonrefundable payment of $13,500 for the right to develop three additional targets, bringing the total to seven.

For all targets under the 2015 Amended Agreement and the 2016 Restated Agreement, the Company grants a research, development and commercialization license upon the designation of a target, including targets initially covered by the 2015 Amended Agreement.

Through December 31, 2016, Takeda has designated four targets and received development and commercialization licenses for the first, third and fourth designated targets. In order to receive a development and commercialization license for the second designated target, Takeda must exercise its option and make a payment of $1,300. Takeda still has three targets and the limited replacement rights for two targets available.

Under the terms of the agreements, the Company and Takeda develop research plans to evaluate Takeda's antibodies as ADCs incorporating the Company's technology. The Company receives reimbursement for its efforts under the research plans. The goal of the research plans is to provide Takeda with sufficient information to formally nominate a development candidate and begin IND-enabling studies or cease development on the designated target.

If products are successfully developed and commercialized, the Company is entitled to receive aggregate milestones of up to $1,063,300 for all seven designated targets consisting of $107,800 in development milestones, $325,000 in regulatory milestones, and $630,500 in commercial milestones. The total milestones payable on each of the first and second designated targets are $136,000 and the total milestones payable on each of the third, fourth, fifth, sixth and seventh designated target are $158,300. The Company is also entitled to receive royalties on product sales, if any. Royalties payable on the first and second designated targets are in the mid single digits and royalties payable on the third, fourth, fifth, sixth and seventh designated target are in the mid to high single digits.

In connection with the 2016 Restated Agreement, the Company may elect to exercise an option to co-develop and co-commercialize one product incorporating either Takeda's third, fourth, fifth, sixth or seventh target in the United States for a payment of $15,000. If the Company elects to exercise the option to co-develop and co-commercialize a product, the Company will share in 50% of the profits related to United States. The Company will be responsible for 50% of costs incurred specifically for the United States and 30% of global development costs. Any costs incurred specifically for a foreign country will be borne 100% by Takeda. If the Company elects to co-develop and co-commercialize a product, certain regulatory milestones and royalties related to the United States for that target would not be paid by Takeda.

Unless earlier terminated, the 2016 Restated Agreement will expire upon the expiration of the last royalty term for a product under the agreement, after which time, Takeda will have a perpetual, royalty-free license. Except with respect to the target antigen of a product for which the Company exercised its option to co-develop and co-commercialize in the United States, Takeda may terminate the 2016 Restated Agreement in its entirety or with respect to any target for convenience upon 45 days' prior written notice. Each party may terminate the 2016 Restated Agreement in its entirety upon bankruptcy or similar proceedings of the other party or upon an uncured material breach of the agreement by the other party. However, if such breach only relates to one target, the agreement may only be terminated with respect to such target.

Takeda XMT-1522 strategic partnership

In January 2016, the Company entered into a Development Collaboration and Commercial license Agreement with Takeda through its wholly owned subsidiary, Millennium Pharmaceuticals, Inc. for the

development and commercialization of XMT-1522 (the XMT-1522 Agreement). Under the XMT-1522 Agreement, Takeda was granted the exclusive right to commercialize XMT-1522 outside of the United States and Canada. Under the XMT-1522 Agreement, the Company is responsible for conducting certain Phase 1 development activities for XMT-1522, including the ongoing Phase 1 clinical study, at its own expense. Takeda has the option to conduct Phase 1 development activities at its own expense within its territory. The parties will collaborate on the further development of XMT-1522 in accordance with a global development plan (Post-Phase 1 Development). The parties will share equally all clinical stage manufacturing costs and any Post-Phase 1 Development costs incurred in the performance of activities for the purpose of obtaining regulatory approval in either the United States or Canada and in certain major markets in the rest of the world. Each party will be responsible for all Post-Phase 1 Development costs incurred in the performance of activities solely for the purpose of obtaining regulatory approval in such party's territory. Each party may conduct independent development of XMT-1522, subject to certain restrictions.

The Company received an upfront payment of $26,500 upon execution of the XMT-1522 Agreement. In addition, the Company was entitled to a milestone payment of $20,000 upon achievement of the IND Clearance Date. The Company achieved the IND Clearance Date in October 2016. Accordingly, the right to credit a portion of the upfront payment lapsed and the Company received the $20,000 milestone payment in October 2016.

In addition to the milestone payment upon achievement of the IND Clearance Date, the Company is entitled to receive future development, regulatory and commercial milestones of up to $288,000 consisting of $87,000 of development milestones, $128,000 of regulatory milestones and $73,000 of commercial milestones, as well as royalties in the mid to high teens on net sales of XMT-1522 in Takeda's territory.

Under the XMT-1522 Agreement, Takeda committed to make equity investments in the Company of up to $20 million in the aggregate in either a qualified private financing or in connection with the Company's IPO at the same price paid by the investors in the qualified private financing or the price per share in the IPO. Takeda invested approximately $10 million in the Company's Series C-1 financing in June 2016 and has committed to invest the remaining $10 million at the time of the Company's IPO.

The XMT-1522 Agreement expires upon the expiration of the royalty term for XMT-1522, after which time, Takeda will have a perpetual, royalty-free license. However, Takeda may terminate the XMT-1522 Agreement in its entirety for convenience upon 30 days' prior written notice at any time up to the initiation of the first Phase 2 clinical study of XMT-1522 or upon 90 days' prior written notice following the initiation of the first Phase 2 clinical study of XMT-1522. Each party may terminate the XMT-1522 Agreement in its entirety upon bankruptcy or similar proceedings of the other party and in its entirety or on a country-by-country basis upon an uncured material breach of the agreement by the other party. Following termination, XMT-1522 will revert to the Company for further development and commercialization.

Accounting analysis

In accordance with ASC 605-25, the Company identified the deliverables under the 2014 Agreement. The deliverables were determined to be (i) research license for the first designated target, (ii) exclusive development and commercialization license for the first designated target, (iii) research and development services under the research plan associated with the first designated target, (iv) replacement right for a designated target, (v) rights to future technological improvements, and (vi) providing joint research committee services. The Company determined that the option to obtain an exclusive development and commercialization license for the first designated target was not a substantive option for accounting

purposes, primarily because Takeda had made an upfront nonrefundable payment of 50% of the option exercise fee. As a result, the exclusive development and commercialization license was considered a deliverable at the inception of the arrangement. In addition, the total option exercise fee of $1,300 related to the first designated target was included in the allocable consideration. Similarly, the Company concluded the option to replace a designated target was not a substantive option as there were no additional payments required in connection with the first replacement option. Conversely, the Company concluded that Takeda's ability to designate a second designated target was in substance a substantive option as the designation of an additional target was at Takeda's option and was not required to pursue the development of the first designated target. The Company has determined that the research license for the first designated target and the research and development services under the research plan associated with the first designated target should be combined into one unit of accounting (the "research license and related services") as the research license does not have standalone value from the research services as the research services are required for Takeda to obtain the benefit of the research license. The Company has concluded the research license and related services have standalone value from the other units of accounting. The exclusive commercial license, replacement right for a designated target, rights to future technological improvements and joint research committee services are not required for Takeda to realize the value of the initial research license and related services.

Under the terms of the 2014 Agreement, the total arrangement consideration of $4,500 (which comprises the $500 upfront technology access payment, expected fees of $2,700 for the research services and $1,300 for the option exercise fee for the first designated target) was allocated to the units of accounting based on management's best estimate of selling price ("BESP"). The Company determined the BESP for the research license and related research services based on the estimated selling price of a research license and an estimate of the overall effort to perform the research services and an estimated market rate for research services. In developing the BESP for the exclusive development and commercialization license, the replacement rights for a designated target and the future technological improvements, the Company considered other comparable transactions, the selling price for a research license and the probability that the future technology will be developed and utilized. The BESP for the joint research committee services was developed using an estimate of the time and costs incurred to participate in the committees. The Company applied the relative selling price allocation using these BESP, which resulted in the consideration being allocated as follows: $2,790 to the research license and related service for the first designated target, $1,125 related to the commercial license on the first designated target, $450 to the replacement right for a designated target, $45 to rights to future technological improvements and $90 to joint research committee services. In addition, Takeda paid $500 in 2014 for the technology access fee and research license associated with the second designated target.

In connection with the 2015 Amended Agreement, the Company reassessed the units of accounting from the 2014 Agreement and identified incremental deliverables, resulting in the following units of accounting at the time of the 2015 Amended Agreement (i) exclusive license to the first designated target and related research services, (ii) research license to the second designated target and related research services, (iii) research license to the third designated target and related services, (iv) research license to the fourth designated target and related services, (v) replacement right to the first or second designated target, (vi) discount on the option for an exclusive development and commercialization license for the second designated target, (vii) option for exclusive development and commercialization license for the third designated target, (viii) option for an exclusive development and commercialization license for the fourth designated target, (ix) rights to future technological improvements and (x) joint research committee services. The Company concluded that the option for the exclusive development and commercialization license for the second designated target includes a significant incremental discount as the option exercise

fee was at a discount to the then-current estimated selling price of an exclusive development and commercialization license for a designated target. The Company concluded the options to obtain exclusive development and commercialization licenses for the third and fourth designated targets were not substantive options as there were no additional payments required to exercise those options. Consistent with the assessment of the units of accounting under the 2014 Agreement, the research licenses (and the exclusive commercial license as it relates to the first designated target) have been combined with the related research services under the related research plan as the license does not have standalone value from the related research services. Upon execution of the 2015 Amended Agreement the total arrangement consideration of $16,697 (which comprises the $9,000 upfront payment, expected fees of $5,775 for the research services and $1,921 of remaining deferred revenue related to the initial 2014 Agreement) was allocated to the units of accounting based on management's BESP, which were developed using consistent methodologies to the 2014 Agreement, as follows: $4,308 to the exclusive development and commercialization license to the first designated target and related research services, $1,611 to each of the research licenses and related research services for the second, third and fourth designated targets, $388 to the replacement right on the first or second designated target, $524 to the discount on the exclusive license to the second designated target, $3,105 to each of the exclusive development and commercialization licenses on the third and fourth designated targets, $262 to rights to future technological improvements and $174 to joint research committee services.

The Company has concluded that the 2016 Restated Agreement and the XMT-1522 Agreement should be accounted for as one arrangement due in part because the agreements are with the same party and were negotiated and executed contemporaneously. The Company reassessed the accounting units from the 2015 Amended Agreement and identified the additional deliverables and units of accounting. As such, the Company identified the units of accounting: (i) exclusive development and commercialization license to the first designated target and related research services, (ii) research license to the second designated target and related research services, (iii) discount on the exclusive development and commercialization license to the second designated target, (iv) exclusive development and commercialization license to the third designated target and related research services, (v) exclusive development and commercialization license to the fourth designated target and related research services, (vi) exclusive development and commercialization license to the fifth designated target and related research services (vii) exclusive development and commercialization license to the sixth designated target and related research services, (viii) exclusive development and commercialization license to the seventh designated target and related research services, (ix) first replacement right for a designated target, (x) discount on the second replacement right to a designated target, (xi) rights to future technological improvements, (xii) joint research committee services, (xiii) XMT-1522 license and related services, and (xiv) joint research committee services for XMT-1522.

Consistent with the assessment under the prior Takeda agreements, the Company has concluded that the license does not have standalone value from the research services and has accounted for each exclusive license and the related research services as a combined unit of accounting.

In addition, in assessing the additional accounting units under the XMT-1522 Agreement, the Company concluded that the license to the Company's intellectual property and the related obligations to perform services, including Phase 1 development and transfer certain materials know how related to the Company's manufacturing processes should be a combined unit of accounting. The license to the Company's intellectual property does not have standalone value from the services that the Company is obligated to perform. Takeda would not have the ability to realize the value of the license without the Company performing the related services.

The Company has concluded that the Post-Phase 1 Development activities under the XMT-1522 Agreement represent joint operating activities in which both parties are active participants and of which both parties are exposed to significant risks and rewards that are dependent on the commercial success of the activities. Accordingly, the Company is accounting for the Post-Phase 1 Development activities in accordance with ASC No. 808, *Collaborative Arrangements* (ASC 808) and they are not considered revenue elements under ASC 605-25.

The total allocable arrangement consideration for the 2016 Restated Agreement and the XMT-1522 Agreement was $50,089 comprised of the following: (i) nonrefundable upfront payment—$13,500, (ii) expected fees for the remaining research services—$9,515, (iii) remaining deferred revenue from the 2015 Amended Agreement—$7,498, (iv) non-creditable portion of the XMT-1522 upfront fee—$13,250, and (v) expected reimbursement for related services—$6,326.

The Company excluded from the initial allocable consideration $13,250 of the upfront fee under the XMT-1522 Agreement as it was contingent on the Company achieving IND Clearance before January 30, 2017. Upon achievement of the IND Clearance, which occurred in October 2016, the contingent consideration was included in the allocable consideration and the Company recognized the cumulative revenue that would have been recognized if the contingent consideration was included in allocable consideration at the inception of the agreements.

The allocable arrangement consideration was allocated to the units of accounting based on the relative estimated selling prices of each unit of accounting. The Company utilized BESP for each accounting unit which was developed on a basis similar to the prior Takeda agreements. The BESP for units of accounting which include a license and research services, was developed using the estimated selling price of the license and an estimate of the overall effort to perform the research service and an estimated market rate for research services. The BESP for the discounts on exclusive license, replacement rights (or discounts thereon) and rights to future technological improvements were developed based on the estimated selling prices of a license, as well as considering the probability that additional technology would be made available or the probability the counterpart would utilize the technology or exercise the option. The BESP for the joint research committee services was developed using an estimate of the time and costs incurred to participate in the committees.

The allocable consideration was allocated to each unit of accounting as follows (i) exclusive development and commercialization license to the first designated target and related research services—$2,813, (ii) research license to the second designated target and related research services—$851, (iii) discount on the exclusive development and commercialization license to the second designated target—$345, (iv) exclusive development and commercialization license to the third designated target and related research services—$2,839, (v) exclusive development and commercialization license to the fourth designated target and related research services—$3,107, (vi) exclusive development and commercialization license to the fifth designated target and related research services—$3,107, (vii) exclusive development and commercialization license to the sixth designated target and related research services—$3,107, (viii) exclusive development and commercialization license to the seventh designated target and related research services—$3,107, (ix) first replacement right for a designated target—$2,301, (x) discount on the second replacement right to a designated target—$2,045, (xi) rights to future technological improvements—$1,151, (xii) joint research committee services—$98, (xiii) XMT-1522 license and related services—$24,920, and (xiv) XMT-1522 joint research committee services—$298.

The Company will recognize revenue related to the combined units of accounting which include research licenses or an exclusive development and commercialization license (if the license option is exercised

during the research term) and the related research services, over the estimated period of the research and development services using a proportional performance model. Revenue related to discounts on options will be recognized when the option is exercised, unless there are additional research services that the Company is required to perform related to the designated target or at the time the option right lapses. Revenue related to the replacement rights will be recognized over the research term of the replacement target once the replacement right is exercised or at the time the right lapses unused. Revenue related to future technological improvements and joint research committee services will be recognized ratably over the performance period, which is expected to be ten years and six years, respectively. The Company will reassess the estimated remaining term at each subsequent reporting period.

The Company has evaluated all of the development, regulatory and commercial milestones that may be received in connection with the Takeda agreements. In evaluating if a milestone is substantive, the Company assesses whether: (i) the consideration is commensurate with either the Company's performance to achieve the milestone or the enhancement of the value of the delivered item(s) as a result of a specific outcome resulting from the Company's performance to achieve the milestone, (ii) the consideration relates solely to past performance, and (iii) the consideration is reasonable relative to all of the deliverables and payment terms within the arrangement. With the exception of the $20,000 milestone payment due upon achievement of IND Clearance under the XMT-1522 Agreement, all development and regulatory milestones are considered substantive on the basis of the contingent nature of the milestone, specifically reviewing factors such as the scientific, clinical, regulatory, commercial and other risks that must be overcome to achieve the milestone as well as the level of effort and investment required. Accordingly, such amounts will be recognized as revenue in full in the period in which the associated milestone is achieved, assuming all other revenue recognition criteria have been met. The $20,000 milestone payment was not considered a substantive milestone as the payment was not considered commensurate with the Company's performance to achieve IND Clearance nor was solely for past performance. The $20,000 milestone payment was in substance part of the overall consideration for the license and development services the Company is required to perform under the XMT-1522 Agreement. Upon achievement of the IND Clearance, which occurred in October 2016, the contingent consideration was included in the allocable consideration and the Company recognized the cumulative revenue that would have been recognized if the contingent consideration as included in allocable consideration at the inception of the agreement. All commercial milestones will be accounted for in the same manner as royalties and recorded as revenue upon achievement of the milestone, assuming all other revenue recognition criteria are met.

The next potential milestone payment the Company will be eligible to receive related to the 2016 Restated Agreement will be a development milestone of $500 related to a GLP toxicology study. The next potential milestone payment the Company will be eligible to receive related to the XMT-1522 Agreement will be a development milestone of $12,000 related to the initiation of a Phase 2 study.

The Company will recognize royalty revenue in the period of sale of the related product(s), based on the underlying contract terms, provided that the reported sales are reliably measurable and the Company has no remaining performance obligations, assuming all other revenue recognition criteria are met.

For the years ended December 31, 2015 and 2016, the Company recorded total revenue of $5,477 and $21,401, respectively, related to its efforts under the Takeda agreements. Included in accounts receivable as of December 31, 2015 and 2016 was $0 and $542, respectively, related to the Takeda agreements.

As of December 31, 2016, the Company had $52,066 of deferred revenue related to the Takeda agreements that will be recognized over the remaining performance period, of which amount approximately $16,536 is classified as short-term.

Merck KGaA

In June 2014, the Company entered into a Collaboration and Commercial License Agreement with Merck KGaA. Upon the execution of the agreement, Merck KGaA paid the Company a nonrefundable technology access fee of $12,000 for the right to develop ADCs directed to six exclusive targets over a specified period of time. No additional fees are due when a target is designated and the commercial license to the target is granted. Merck KGaA will be responsible for the product development and marketing of any products resulting from this collaboration.

Under the terms of the agreement, the Company and Merck KGaA develop research plans to evaluate Merck KGaA's antibodies as ADCs incorporating the Company's technology. The Company receives reimbursement for its efforts under the research plans. The goal of the research plans is to provide Merck KGaA with sufficient information to formally nominate a development candidate and begin IND-enabling studies or cease development on the designated target.

In addition to the payments received for research and development activities performed on behalf of Merck KGaA, the Company was also eligible to receive up to a total of $780,000 in future milestones related to all targets under the agreement, plus low to mid single digit royalties on the commercial sales of any resulting products. The total milestones are categorized as follows: development milestones—$84,000; regulatory milestones—$264,000; and sales milestones—$432,000. During each of the years ended December 31, 2015 and 2016, the Company received and recognized as revenue $1,000 related to development milestones under the agreement. At the time of the execution of the agreement, there was significant uncertainty as to whether the milestones would be achieved. In consideration of this, as well as the Company's expected involvement in the research, these milestones were deemed to be substantive. The next potential milestone payment the Company will be eligible to receive will be a development milestone of $500 for the delivery of ADCs meeting product specification for the next designated targets or Merck KGaA's designation of a preclinical development candidate for any target. Revenue will be recognized upon achievement of the milestone. The Company and Merck KGaA may also enter into a future supply agreement to provide clinical study material should Merck KGaA pursue clinical development of any candidates nominated under the agreement. Through December 31, 2016, Merck KGaA has designated six targets, all of which are still covered by research plans.

Unless earlier terminated, the agreement will expire upon the expiration of the last royalty term for a product under the agreement, after which time, Merck KGaA will have a perpetual, royalty-free license, or if Merck KGaA does not designate any ADC product candidates produced by the Company under the agreement as preclinical development candidates, upon the expiration of the last to expire research program. Merck KGaA may terminate the agreement in its entirety or with respect to any target for convenience upon 60 days' prior written notice. Each party may terminate the Merck KGaA Agreement in its entirety upon bankruptcy or similar proceedings of the other party or upon an uncured material breach of the agreement by the other party. However, if such breach only relates to one target, the agreement may only be terminated with respect to such target.

In accordance with ASC 605-25, the Company identified all of the deliverables at the inception of the agreement. The deliverables were determined to be (a) commercial licenses for six designated targets, (b) research and development services for each research plan associated with a designated target, (c) rights to future technological improvements and (d) participation of project team leaders and providing joint research committee services. The commercial licenses and associated research services for each target were combined into a single unit of accounting as the research licenses do not have stand alone value without the research services.

The Company determined the BESP for the commercial license and related research services based on the estimated selling price of a commercial license and an estimate of the overall effort to perform the research services and an estimated market rate for research services. In developing the BESP for the future technological improvements, the Company considered other comparable transactions, and the probability that the future technology will be developed and utilized. The BESP for the joint research committee services was developed using an estimate of the time and costs incurred to participate in the committees. The Company applied the relative selling price allocation using these BESPs.

The total arrangement consideration of $23,025 (which comprises the $12,000 upfront payment and expected fees of $11,025 for the research services) was allocated to the units of accounting based on management's best estimate of selling price as follows: $3,723 for each of the license and corresponding research and development services units of account; $437 for rights to future technological improvements and $248 for joint research committee services.

The Company is recognizing revenue related to the commercial license and research and development services unit of accounting over the estimated period of the research and development services using a proportional performance model based on projected Company efforts. The estimated term is 36 months from the time the target is designated until Merck KGaA makes a decision whether to nominate a preclinical development candidate or cease development efforts with respect to the designated target. Revenue related to future technological improvements and joint research committee services will be recognized ratably over the performance period, which is expected to be ten years and six years, respectively. The Company is continuing to reassess the estimated remaining term at each subsequent reporting period.

During 2015 and 2016, the Company billed $2,703 and $2,255, respectively, related to development costs and milestones from this collaboration and recorded revenue of $4,557 and $3,644, respectively, related to its efforts under the collaboration agreement. Included in accounts receivable as of December 31, 2015 and 2016 was $640 and $509, respectively, related to the Merck KGaA Agreement.

As of December 31, 2016 the Company recorded $8,236 in deferred revenue related to the Merck KGaA agreement that will be recognized over the remaining performance period, of which amount approximately $6,195 is classified as short-term.

Other Revenue

In 2015, the Company entered into a feasibility study agreement to evaluate the Company's technology. The Company satisfied its service obligations under the agreement and recognized related revenue of $325 during the year ended December 31, 2015.

In 2016, the Company entered into an agreement to provide limited services for Asana BioSciences, an existing partner, for $250. In 2016, the Company received and recorded as revenue $125 related to these services.

4. Fair value measurements

The Company's cash equivalents carried at fair value are primarily comprised of investments in a U.S. Treasury and Federal agency backed money market fund. The following table presents information about the Company's assets and liabilities regularly measured and carried at a fair value and indicates the level

within fair value hierarchy of the valuation techniques utilized to determine such value as of December 31, 2015 and 2016:

	Fair value	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
December 31, 2015				
Cash equivalents:				
Money market funds	$ 6,569	$ 6,569	$ —	$ —

	Fair value	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
December 31, 2016				
Cash equivalents:				
Money market funds	$ 25,717	$ 25,717	$ —	$ —

There were no changes in valuation techniques or transfers between fair value measurement levels during the years ended December 31, 2015 and 2016.

5. Property and equipment

Property and equipment consists of the following as of December 31, 2015 and 2016:

	2015	2016
Laboratory equipment	$ 3,632	$ 4,672
Computer equipment, office equipment and software	415	579
Leasehold improvements	794	1,444
Total property and equipment at cost	4,841	6,695
Less: Accumulated depreciation	(3,557)	(4,212)
Property and equipment	$ 1,284	$ 2,483

Depreciation expense for the years ended December 31, 2015 and 2016 was $297 and $655, respectively.

6. Accrued expenses

Accrued expenses consist of the following as of December 31, 2015 and 2016:

	2015	2016
Accrued payroll and related expenses	$ 1,315	$ 2,276
Accrued professional fees	135	402
Accrued preclinical expenses	112	602
Accrued other	94	148
	$ 1,656	$ 3,428

7. Convertible preferred stock

Prior to January 1, 2015, the Company issued 25,085,153 shares of Series A-1 convertible preferred stock (Series A-1 Preferred Stock) at a purchase price of $1.0763 per share resulting in net proceeds of $26,336.

In February 2015 and June 2016, the Company issued 9,410,551 and 23,526,368 shares of Series B-1 convertible preferred stock (Series B-1 Preferred Stock) at a purchase price of $1.0763 per share resulting in net proceeds of $35,232.

Included in the terms of the Series B-1 Preferred Stock offering was a future tranche right. The Company has evaluated the right and determined that the investors' right to acquire additional shares of preferred stock is contractually embedded and not legally detachable. Such feature is not required to be bifurcated from the Series B-1 Preferred Stock as it does not meet the definition of a derivative.

In June 2016 the Company issued 14,674,062 shares of Series C-1 convertible preferred stock (Series C-1 Preferred Stock) at a purchase price of $2.25568 resulting in net proceeds of $32,882.

The Series A-1, Series B-1 and C-1 Preferred Stock have the following terms:

Voting rights

The holder of each share of Preferred Stock shall have the right to one vote for each share of common stock into which the Preferred Stock can then be converted, and such holder will have full voting rights and powers equal to those of the holders of common stock and are entitled to vote on all matters.

Dividends

The holders of Preferred Stock are entitled to receive non-cumulative dividends from the date of issuance of the Preferred Stock, at a rate of 8% per annum, if, when and as declared by the Board of Directors. To date, no dividends were declared.

Liquidation

In the event of any liquidation, dissolution, or winding-up of the Company, whether voluntary or involuntary, or any deemed liquidation event (as defined in the Company's Fourth Amended and Restated Certificate of Incorporation), the holders of outstanding shares of Series B-1 Preferred Stock and the holders of outstanding shares of Series C-1 Preferred Stock shall be entitled to be paid first out of the assets of the Company available for distribution to stockholders, on a pari passu basis and before any distribution or payment is made upon Series A-1 Preferred Stock and common stock, an amount per share equal to the sum of the original issue price plus an amount equal to the aggregate of all dividends declared but unpaid in respect of such share of Series B-1 Preferred Stock and Series C-1 Preferred Stock. Such amounts shall be paid to the holders of Series B-1 Preferred Stock and the holders of Series C-1 Preferred Stock before any payment shall be made to the holders of Series A-1 Preferred Stock or common stock or any other class or series of stock ranking on liquidation junior to Series B-1 Preferred Stock and Series C-1 Preferred Stock by reason of their ownership thereof.

If, upon a liquidation event or deemed liquidation event, the assets of the Company available for distribution shall be insufficient to make payment in full to all holders of Series B-1 Preferred Stock and all holders of Series C-1 Preferred Stock of their full Series B-1 Preferred Stock liquidation value and Series C-1 Preferred Stock liquidation value, then such assets shall be distributed among the holders of Series B-1 Preferred Stock and the holders of Series C-1 Preferred Stock at the time outstanding, ratably in proportion to the full preferential amount each such holder is otherwise entitled to receive.

After payment in accordance with the foregoing has been made in full to the holders of Series B-1 Preferred Stock and the holders of Series C-1 Preferred Stock, the holders of outstanding shares of Series A-1 Preferred Stock shall be entitled to be paid out of any remaining assets and funds of the Company available for distribution to stockholders, before any distribution or payment is made upon common stock, an amount per share of equal to the sum of the original issue price plus an amount equal to the aggregate of all dividends declared but unpaid in respect of such share of Series A-1 Preferred Stock. Such amounts shall be paid to the holders of the Series A-1 Preferred Stock before any payment shall be made to the holders of common stock or any other class or series of stock ranking on liquidation junior to Series A-1 Preferred Stock by reason of their ownership thereof. If, upon a liquidation event or deemed liquidation event, the assets of the Company available for distribution shall be insufficient to make payment in full to all holders of Series A-1 Preferred Stock of their full Series A-1 liquidation value, then such assets shall be distributed among the holders of Series A-1 Preferred Stock at the time outstanding, ratably in proportion to the full preferential amount each such holder is otherwise entitled to receive.

After payments in accordance with the foregoing have been made in full to the holders of Preferred Stock, any remaining assets and funds of the Company available for distribution shall be distributed ratably among the holders of common stock and the holders of the Preferred Stock, on an as-if converted to common stock basis.

The original issue price for the above payments is equal to $1.0763 per share for the Series A-1 Preferred Stock and Series B-1 Preferred Stock and $2.25568 per share for the Series C-1 Preferred Stock, in each case, subject to appropriate adjustment for any stock splits, stock dividends, combination, or any other similar recapitalization affecting such shares.

Conversion

Each share of Preferred Stock is convertible, at the option of the holder, at any time after issuance into one share of common stock, subject to adjustment for certain dilutive events. Each share of Preferred Stock will automatically convert into shares of common stock at the then effective conversion price upon the closing of an initial public offering for which the offering price is not less than two times the original issue price of the Series C-1 Preferred Stock resulting in at least $50,000 of gross proceeds to the Company, or upon the vote or written consent of the holders of at least a majority of the outstanding shares of the Preferred Stock.

8. Stockholders' (deficit) equity

Common stock

The holders of the common stock are entitled to one vote for each share held. Common stockholders are not entitled to receive dividends, unless declared by the Board of Directors.

At December 31, 2016 there were 86,338,235 shares of common stock reserved for the conversion of outstanding Series A-1, Series B-1 and Series C-1 Preferred Stock and for the exercise of outstanding stock options and warrants.

Series A-1 Preferred Stock	25,085,153
Series B-1 Preferred Stock	32,936,919
Series C-1 Preferred Stock	14,674,062
Warrants	582,725
Stock options	13,059,376
Total	86,338,235

Warrants

In connection with a 2013 Series A-1 Preferred Stock issuance, the Company granted to certain investors warrants to purchase 582,725 shares of common stock. The warrants have a $0.01 per share exercise price and a contractual life of 10 years. The fair value of these warrants was recorded as a component of equity at the time of issuance.

9. Stock options

Stock option plan

Under the Company's 2007 Stock Incentive Plan (the "Plan"), up to 15,711,906 shares of common stock may be granted to the Company's employees, officers, directors, consultants and advisors in the form of options, restricted stock awards or other stock-based awards. During the years ended December 31, 2015 and 2016, the Company issued only stock option awards under the Plan. The terms of the awards are determined by the Board of Directors (the "Board"), subject to the provisions of the Plan. As of December 31, 2016 there were 2,309,526 shares available for future issuance under the Plan.

With respect to incentive stock options, the option price per share will equal the fair market value of the common stock on the date of grant, as determined by the Board, and the vesting period is generally four years. Nonqualified stock options will be granted at an exercise price established by the Board at its sole discretion (which has not been less than fair market value on the date of grant) and the vesting periods may vary. Options granted under the Plan expire no later than 10 years from the date of grant. The Board may accelerate vesting or extend the expiration of granted options in the case of a merger, consolidation, dissolution, or liquidation of the Company.

A summary of the activity under the Plan is as follows:

	Number of shares	Weighted-average exercise price	Remaining contractual life (in years)	Aggregate intrinsic value
Options outstanding January 1, 2016	9,659,257	$ 0.34	8.8	$ 71
Granted	4,115,208	0.82		
Exercised	(319,050)	0.33		
Cancelled	(349,476)	0.43		
Forfeited	(46,563)	0.32		
Options outstanding December 31, 2016	13,059,376	$ 0.49	8.4	$ 8,096
Options exercisable, December 31, 2016	4,870,660	$ 0.37	7.5	$ 3,648
Vested and expected to vest at December 31, 2016	12,649,941	$ 0.49	8.4	$ 7,874

The weighted-average grant date fair value of options granted during 2015 and 2016, was $0.19 and $0.52 per share, respectively.

Cash received from the exercise of stock options was $0 and $105 for the years ended December 31, 2015 and 2016, respectively.

Stock-based compensation

The Company uses the provisions of ASC 718, *Stock Compensation,* to account for all stock-based awards to employees and nonemployees.

The measurement date for employee awards is generally the date of grant. Stock-based compensation expense is recognized over the requisite service period, which is generally the vesting period, using the straight-line method.

For the years ended December 31, 2015 and 2016, the Company recorded stock-based compensation expense of $349 and $664, respectively, related to employee grants. The Company has an aggregate of $2,485 of unrecognized stock compensation cost as of December 31, 2016 remaining to be amortized over the weighted-average period of 3.2 years. The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	2015	2016
Risk-free interest rate	2.0%	1.5%
Expected dividend yield	—%	—%
Expected term (years)	6.25	6.25
Expected stock price volatility	61%	69%

Expected volatility for the Company's common stock was determined based on the historical volatility of comparable publicly traded companies. The risk-free interest rate is based on the yield of U.S. Treasury securities with the term consistent with the expected term of the option. No dividend yield was assumed as the Company has not historically and does not expect to pay dividends on its common stock. The expected term of the options granted is based on the use of the simplified method, in which the expected term is presumed to be the mid-point between the vesting date and the end of the contractual term.

The fair value of the common stock has been determined by the Board at each date of grant based on the variety of factors, including the Company's financial position and historical financial performance, the status of developments within the Company's research and development activities, the composition and ability of the current research and management team, an evaluation of the Company's competition, the current climate in the marketplace, the illiquid nature of the common stock, the effect of the rights and preferences of the preferred shareholders, and the prospects of the liquidity event, among others.

The Company's common stock valuations were prepared using the hybrid method. The hybrid method is a hybrid between the probability-weighted expected return method ("PWERM") and the option-pricing method ("OPM"). The hybrid method estimates the probability-weighted average value across multiple scenarios using the OPM to allocated equity value within at least one of those scenarios.

The Company granted stock option awards to non-employees. Total expense during the years ended December 31, 2015 and 2016 was $0 and $4, respectively.

10. Income taxes

A reconciliation of income taxes computed using the U.S. federal statutory rate to that reflected in operations as of December 31, 2015 and 2016 are as follows:

	2015	2016
Income tax computed at federal statutory tax rate	34.0 %	34.0 %
State taxes, net of federal benefit	5.4 %	5.1 %
Permanent differences	(0.6) %	(1.3)%
General business credits	7.3 %	12.9 %
Section 382 adjustment for net operating losses and credits	(120.1)%	— %
Other	(0.2)%	(0.1)%
Change in valuation allowance	74.2 %	(50.6)%
	— %	— %

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred tax assets as of December 31, 2015 and 2016 are as follows:

	2015	2016
Deferred tax assets:		
Net operating losses	$ 11,684	$ 9,263
Tax credit carryforwards	2,329	4,055
Deferred revenue	3,820	11,061
Licensed technology	923	856
Depreciation	226	286
Accrued expenses	85	215
Deferred expenses	—	180
Other state credits	—	75
Total deferred tax assets	19,067	25,991
Valuation allowance	(19,067)	(25,991)
Net deferred tax assets	$ —	$ —

The Company has incurred net operating losses ("NOL") since inception. At December 31, 2016, the Company had Federal and State NOL carryforwards of approximately $24.0 million and $21.1 million, respectively, which expire at various dates through 2036. At December 31, 2016, the Company had Federal and State research and development tax credit carryforwards of approximately $3.0 million and $1.7 million, respectively, which expire at various dates through 2036. During 2015, the Company's net operating losses and research and development tax credits decreased as a result of the Section 382 limitations.

As required by ASC 740, management of the Company has evaluated the evidence bearing upon the realizability of its deferred tax assets. Based on the weight of available evidence, both positive and negative, management has determined that it is more likely than not that the Company will not realize the benefits of these assets. Accordingly, the Company recorded a valuation allowance of $19.1 million and $26.0 million at December 31, 2015 and December 31, 2016, respectively. The valuation allowance increased by $6.9 million in 2016, primarily as a result of change in deferred revenue during the period. The valuation allowance decreased by $12.2 million in 2015 primarily because the Company determined its NOLs and research and development tax credits were limited due to changes in ownership as defined by Section 382 of the Internal Revenue Code of 1986 (Section 382).

Utilization of the NOLs and research and development tax credit carryforwards may be subject to a substantial annual limitation under Section 382 due to ownership change limitations that have occurred previously or that could occur in the future in accordance with Section 382, as well as similar state provisions. These ownership changes may limit the amount of NOLs and research and development tax credit carryforwards that can be utilized annually to offset future taxable income and tax, respectively. If a change in control as defined by Section 382 has occurred at any time since the Company's formation, utilization of its NOLs or research and development tax credit carryforwards would be subject to an annual limitation under Section 382, which is determined by first multiplying the value of the Company's stock at the time of the ownership change by the applicable long-term tax-exempt rate, which could then be subject to additional adjustments, as required. Any limitation may result in expiration of a portion of the NOLs or research and development tax carryforwards before their utilization. The Company has determined that ownership changes have occurred through December 31, 2016 and that certain NOLs and research and development tax credit carryforwards will be subject to limitation. The amounts presented do not include NOLs or research and development tax credit carryforwards that will expire unused due to ownership changes.

The Company applies the accounting guidance in ASC 740 related to accounting for uncertainty in income taxes. The Company's reserves related to taxes are based on a determination of whether, and how much of, a tax benefit taken by the Company in its tax filings or positions is more likely than not to be realized following resolution of any potential contingencies present related to the tax benefit. As of December 31, 2015 and 2016, the Company had no unrecognized tax benefits.

The Company has not conducted a study of its research and development credit carryforwards. This study may result in an adjustment to research and development credit carryforwards; however, until a study is completed and any adjustment is known, no amounts are being presented as an uncertain tax position. A full valuation allowance has been provided against the Company's research and development credits and, if an adjustment is required, this adjustment would be offset by an adjustment to the valuation allowance. Thus, there would be no impact to the balance sheets or statements of operations if an adjustment were required.

Interest and penalties related to uncertain tax positions would be classified as income tax expense in the accompanying statements of operations. As of December 31, 2016 and 2015, the Company had no accrued interest or penalties related to uncertain tax positions.

The Company files income tax returns in the United States federal tax jurisdiction and one state jurisdiction. The Company did not have any foreign operations during the years ended December 31, 2015 and 2016. The statute of limitations for assessment by the Internal Revenue Service and state tax authorities is closed for tax years prior to 2013, although carryforward attributes that were generated prior to tax year 2013 may still be adjusted upon examination to the extent utilized in a future period. There are currently no federal or state audits in progress.

11. Employee benefit plan

The Company has a defined contribution plan established under Section 401(k) of the Internal Revenue Code (401(k) Plan), which covers substantially all employees. Employees who have attained the age of 21 are eligible to participate in the 401(k) Plan with no service requirement. Employees may contribute up to 75% of eligible pay on a pre—tax basis up to the federal annual limits. The Company matches the employees contributions at 50% on the first 6% up to $3. For the years ended December 31, 2015 and 2016, the Company recorded expense of $100 and $136, respectively related to its contribution to its 401(k) Plan.

12. Commitments

Operating leases

The Company leases office space in Cambridge, MA under an operating lease, which is effective through March 2019. The lease and laboratory provided the Company with a tenant improvement allowance of up to $356. The Company fully utilized the allowance and recorded the assets acquired with the allowance as leasehold improvements. The Company recorded the tenant improvement allowance as a deferred lease incentive and is amortizing the deferred lease incentive through a reduction of rent expense ratably over the lease term.

The Company is recording rent expense on a straight-line basis over the term of the lease and has recorded deferred rent in the consolidated balance sheets, accordingly.

The Company has a $321 standby letter of credit for the security deposit on the lease. The letter of credit is collateralized by a restricted cash account, which is included in other assets.

In addition, the Company leases certain equipment under operating leases that expire through September 2018. As of December 31, 2016 future minimum lease payments under operating leases were as follows:

2017	$	1,940
2018		1,987
2019		486
	$	4,413

Rent expense was approximately $947 and $1,572 for the years ended December 31, 2015 and 2016, respectively.

License agreements

Adimab

In 2014, the Company paid an option exercise fee of $1,500 to Adimab for the rights to the antibody used in XMT-1522. The Company is obligated to pay Adimab up to $26,500 in development and regulatory milestones for each product containing this antibody and a low-single digit percentage royalty on net sales of each product if this product is successfully developed and commercialized.

Recepta

In July 2015, the Company entered into a license agreement with Recepta Biopharma S.A., or Recepta, a Brazilian biopharmaceutical company, licensing Recepta's NaPi2b antibody for use in XMT-1536 and granting Recepta the exclusive right to commercialize XMT-1536 in Brazil.

Under this agreement, the Company paid Recepta an upfront payment of $1,000 and is obligated to pay Recepta up to $65,500 in development, regulatory and commercial milestones and tiered royalties in the low-single digit percentages on net sales of products outside of Brazil if products are successfully developed and commercialized. The Company is entitled to receive tiered royalties in the low- to mid-single digit percentages on net sales of products in Brazil if products are successfully developed and commercialized.

13. Related party transactions

Included in Series C-1 financing was investment of $10,000 by Takeda, one of the Company's strategic partners.

14. Subsequent events

The Company evaluated subsequent events through March 17, 2017. There were no items requiring adjustment or disclosure in the consolidated financial statements.

In February 2017, the Company amended its agreement with Merck KGaA granting them a limited replacement right on their sixth designated target.

In March 2017, the Company amended its agreement with Takeda, allowing Takeda the right to extend the research term on their first designated target.

In March 2017, the Company amended its Articles of Incorporation to increase the authorized common stock and options available under the Plan by 1,500,000 shares.

shares

Common stock

Prospectus

J.P. Morgan **Cowen and Company** **Leerink Partners**

Wedbush PacGrow

Through and including , 2017 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

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 the underwriting discounts and commissions, payable by the registrant in connection with the sale of common stock being registered. All amounts are estimates except for the Securities and Exchange Commission, or SEC, registration fee, the FINRA filing fee and The NASDAQ Global Market listing fee.

Item	Amount to be paid
SEC registration fee	$ *
FINRA filing fee	*
The NASDAQ Global Market listing fee	125,000
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer Agent fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be completed by amendment.

Item 14. Indemnification of directors and officers

As permitted by Section 102(b)(7) of the DGCL, we plan to include in our amended and restated certificate of incorporation a provision to eliminate the personal liability of our directors for monetary damages for breach of their fiduciary duties as directors, subject to certain exceptions. In addition, our amended and restated certificate of incorporation and by-laws will provide that we are required to indemnify our officers and directors under certain circumstances, including those circumstances in which indemnification would otherwise be discretionary, and we are required to advance expenses to our officers and directors as incurred in connection with proceedings against them for which they may be indemnified, in each case except to the extent that the DGCL prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145(a) of the DGCL provides that a corporation shall have the power to 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) by reason of the fact that 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, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person 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 conduct was unlawful.

Section 145(b) of the DGCL provides that a corporation shall have the power to 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 procure a judgment in its favor by reason of the fact that 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, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

We have entered into indemnification agreements with our directors and, prior to the completion of this offering, intend to enter into indemnification agreements with each of our officers. These indemnification agreements will provide broader indemnity rights than those provided under the DGCL and our amended and restated certificate of incorporation. These indemnification agreements are not intended to deny or otherwise limit third-party or derivative suits against us or our directors or officers, but to the extent a director or officer were entitled to indemnity or contribution under the indemnification agreement, the financial burden of a third-party suit would be borne by us, and we would not benefit from derivative recoveries against the director or officer. Such recoveries would accrue to our benefit but would be offset by our obligations to the director or officer under the indemnification agreement.

The underwriting agreement will provide that the underwriters are obligated, under certain circumstances, to indemnify our directors, officers and controlling persons against certain liabilities, including liabilities under the Securities Act.

We maintain directors' and officers' liability insurance for the benefit of our directors and officers.

Item 15. Recent sales of unregistered securities

In the three years preceding the filing of this registration statement, we have issued the following securities that were not registered under the Securities Act:

Issuances of capital stock

In April 2014, we issued and sold an aggregate of 8,826,116 shares of our Series A-1 convertible preferred stock to 10 investors for aggregate consideration of $9,499,549.

In February 2015 and June 2016, we issued an aggregate of 32,936,919 shares of our Series B-1 convertible preferred stock for aggregate consideration of $35,450,006 to 10 investors.

In June 2016, we issued an aggregate of 14,674,062 shares of our Series C-1 convertible preferred stock for aggregate consideration of $33,099,988 to 13 investors.

No underwriters were used in the foregoing transactions. All sales of securities described above were made in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act for transactions by an issuer not involving a public offering.

Grants of stock options and restricted stock

Since January 1, 2017, we have granted stock options to purchase an aggregate of 1,992,410 shares of our common stock at a weighted-average exercise price of $1.50, to employees, directors and consultants.

In 2016, we granted stock options to purchase an aggregate of 4,115,108 shares of our common stock at a weighted-average exercise price of $0.82, to employees, directors and consultants.

In 2015, we granted stock options to purchase an aggregate of 6,994,193 shares of our common stock at a weighted-average exercise price of $0.34, to employees.

In 2014, we granted stock options to purchase an aggregate of 830,800 shares of our common stock at a weighted-average exercise price of $0.31, to employees.

The issuances of the above securities were exempt either pursuant to Rule 701, as transactions pursuant to a compensatory benefit plan, or pursuant to Section 4(a)(2), as transactions by an issuer not involving a public offering.

Item 16. Exhibits and financial statement schedules

(a) Exhibits

See the Exhibit Index attached to this Registration Statement, which is incorporated by reference herein.

(b) Financial statement schedules

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

1. For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

2. For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

Signatures

Pursuant to the requirements of the Securities Act of 1933, 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 Cambridge, Commonwealth of Massachusetts, on , 2017.

Mersana Therapeutics, Inc.

By: _____

Anna Protopapas
President and Chief Executive Officer

We, the undersigned directors and officers of Mersana Therapeutics, Inc., or the Company, hereby severally constitute and appoint Anna Protopapas and Eva M. Jack, and each of them singly, our true and lawful attorneys, with full power to them, and to each of them singly, to sign for us and in our names in the capacities indicated below, the registration statement on Form S-1 filed herewith, and any and all pre-effective and post-effective amendments to said registration statement, and any registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, in connection with the registration under the Securities Act, of 1933, as amended, of equity securities of the Company, and to file or cause to be filed the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as each of us might or could do in person, and hereby ratifying and confirming all that said attorneys, and each of them, or their substitute or substitutes, shall do or cause to be done by virtue of this Power of Attorney.

Pursuant to the requirements of the Securities Act, this Registration Statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
_____ Anna Protopapas	President, Chief Executive Officer and Director (Principal Executive Officer)	, 2017
_____ Eva M. Jack	Chief Business Officer (Principal Financial Officer)	, 2017
_____ Wayne Foster	Vice President of Finance (Principal Accounting Officer)	, 2017
_____ David Mott	Chairman of the Board	, 2017

Signature	Title	Date
_____ Elaine V. Jones, Ph.D.	Director	, 2017
_____ Sara Nayeem, M.D.	Director	, 2017
_____ Kristen Hege, M.D.	Director	, 2017
_____ Andrew A. F. Hack, M.D., Ph.D.	Director	, 2017

Exhibit index

Exhibit number	Description of exhibit
1.1*	Form of Underwriting Agreement.
3.1*	Fifth Amended and Restated Certificate of Incorporation.
3.2	Fourth Amended and Restated Certificate of Incorporation.
3.3	Certificate of Amendment to the Fourth Amended and Restated Certificate of Incorporation.
3.4*	Amended and Restated Bylaws.
3.5	Bylaws.
4.1*	Form of Common Stock Certificate.
4.2	Form of Common Stock Warrant.
4.3	Third Amended and Restated Investor Rights Agreement, dated as of June 15, 2016, by and among Mersana Therapeutics, Inc. and the Stockholders listed therein.
5.1*	Opinion of Ropes & Gray LLP.
10.1*†	Form of Indemnification Agreement.
10.2	Commercial Lease, dated February 24, 2009, between Mersana Therapeutics, Inc. and Rivertech Associates II, LLC.
10.3	Fifth Lease Extension and Modification Agreement, dated November 30, 2015, by and between Mersana Therapeutics, Inc. and Rivertech Associates II LLC.
10.4+	Collaboration and Commercial License Agreement, dated June 23, 2014, by and between Mersana Therapeutics, Inc. and Merck KGaA.
10.5+	Amendment 1 to the Collaboration and Commercial License Agreement, dated June 1, 2016, by and between Mersana Therapeutics, Inc. and Merck KGaA.
10.6+	Amendment 2 to the Collaboration and Commercial License Agreement, dated August 12, 2016, by and between Mersana Therapeutics, Inc. and Merck KGaA.
10.7+	Amendment 3 to the Collaboration and Commercial License Agreement, dated February 28, 2017, by and between Mersana Therapeutics, Inc. and Merck KGaA.
10.8+	License, Development and Commercialization Agreement, dated July 9, 2015, by and between Mersana Therapeutics, Inc. and Recepta Biopharma S.A.
10.9+	Agreement Regarding LICR Technology, dated July 9, 2015, by and between Ludwig Institute for Cancer Research, Recepta Biopharma S.A. and Mersana Therapeutics, Inc.
10.10+	Collaboration Agreement, dated as of July 25, 2012, by and between Adimab, LLC and Mersana Therapeutics, Inc.
10.11+	Amendment Number One to the Collaboration Agreement, dated February 21, 2013, by and between Adimab, LLC and Mersana Therapeutics, Inc.

Exhibit number	Description of exhibit
10.12+	Amendment Number One to the Collaboration Agreement, dated June 17, 2014, by and between Adimab, LLC and Mersana Therapeutics, Inc.
10.13+	Development Collaboration and Commercial License Agreement, dated January 29, 2016, by and between Mersana Therapeutics, Inc. and Millennium Pharmaceuticals, Inc.
10.14+	Amended and Restated Research Collaboration and Commercial License Agreement, dated as of January 29, 2016, by and between Mersana Therapeutics, Inc. and Millennium Pharmaceuticals, Inc.
10.15+	Amendment Number One to the A&R Research Collaboration and Commercial License Agreement, dated March 9, 2017, by and between Mersana Therapeutics, Inc. and Millennium Pharmaceuticals, Inc.
10.16*†	Amended and Restated Offer Letter, by and between Mersana Therapeutics, Inc. and Anna Protopapas.
10.17*†	Amended and Restated Offer Letter, by and between Mersana Therapeutics, Inc. and Eva M. Jack.
10.18*†	Amended and Restated Offer Letter, by and between Mersana Therapeutics, Inc. and Donald A. Bergstrom.
10.19*†	Amended and Restated Offer Letter, by and between Mersana Therapeutics, Inc. and Timothy B. Lowinger.
10.20*†	Amended and Restated Offer Letter, by and between Mersana Therapeutics, Inc. and Michael J. Kaufman.
10.21†	2007 Stock Incentive Plan; as amended.
10.22†	Form of Incentive Stock Option under the 2007 Stock Incentive Plan.
10.23†	Form of Nonqualified Stock Option under the 2007 Stock Incentive Plan.
10.24*†	2017 Stock Option and Incentive Plan.
10.25*†	2017 Employee Stock Purchase Plan.
21.1	Subsidiaries of Mersana Therapeutics, Inc.
23.1*	Consent of Ernst & Young LLP.
23.2*	Consent of Ropes & Gray LLP (included in Exhibit 5.1).
24.1*	Power of Attorney (included on signature page).

* To be filed by amendment.

† Indicates a management contract or compensatory plan.

\+ Application has been made to the Securities and Exchange Commission for confidential treatment of certain provisions. Omitted material for which confidential treatment has been requested has been filed separately with the Securities and Exchange Commission.

FOURTH AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

MERSANA THERAPEUTICS, INC.

The undersigned, for the purpose of amending and restating the Certificate of Incorporation of Mersana Therapeutics, Inc. (the "***Corporation***"), as amended, hereby certifies as follows:

1. The name of the Corporation is Mersana Therapeutics, Inc. The Corporation filed its Certificate of Formation with the Secretary of the State of Delaware on January 4, 2001, under the name "Nanopharma LLC". A Certificate of Conversion was filed on February 8, 2002, which converted the limited liability company to a corporation, under the name "Nanopharma Corp". The Certificate of Incorporation, as amended by the Certificate of Designation filed on February 8, 2002, the Amended and Restated Certificate of Incorporation filed on October 21, 2005, the Certificates of Amendment filed on November 10, 2005, September 25, 2006, May 11, 2007, August 4, 2008, February 13, 2009, January 19, 2010 and April 12, 2011, the Second Amended and Restated Certificate of Incorporation filed on July, 27, 2012, the Certificate of Amendment filed on September 27, 2013, and the Third Amended and Restated Certificate of Incorporation filed on February 20, 2015, is hereby further amended and restated to, among other things, change the capitalization of the Corporation as set forth below.

2. This Fourth Amended and Restated Certificate of Incorporation (hereafter "***Restated Certificate***") amends, restates and integrates the provisions of the Certificate of Incorporation of said Corporation, as amended, and has been duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware.

3. Pursuant to Section 228(a) of the General Corporation Law of the State of Delaware, the holders of outstanding shares of the Corporation having no less than the minimum number of votes that would be necessary to authorize or take such actions at a meeting at which all shares entitled to vote thereon were present and voted, consented to the adoption of the aforesaid amendments without a meeting, without a vote and without prior notice and that written notice of the taking of such actions has been given in accordance with Section 228(e) of the General Corporation Law of the State of Delaware.

4. The text of the Certificate of Incorporation, as amended, is hereby amended and restated to read in full as follows:

FOURTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

MERSANA THERAPEUTICS, INC.

FIRST*:** The name of the corporation (hereinafter called the "Corporation***") is

MERSANA THERAPEUTICS, INC.

***SECOND*:** The address, including street, number, city, and county, of the registered office of the Corporation in the State of Delaware is 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle; and the name of the registered agent of the Corporation in the State of Delaware is Corporation Service Company.

***THIRD*:** The nature of the business to be conducted and the purposes of the

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Corporation are to engage in any lawful act or activity or carry on any business for which corporations may be organized under the Delaware General Corporation Law or any successor statute.

***FOURTH*:**

A. Authorization of Stock.

The total number of shares of all classes of stock which the Corporation shall have the authority to issue is 167,696,134 shares, which shall consist of two classes of stock as follows:

Common Stock, $.0001 par value per share ("***Common Stock***")	95,000,000
Preferred Stock, $.0001 par value per share ("***Preferred Stock***")	72,696,134

Preferred Stock shall consist of three series as follows:

Series A-1 Convertible Preferred Stock, $.0001 par value per share ("***Series A-1 Preferred Stock***")	25,085,153
Series B-1 Convertible Preferred Stock, $.0001 par value per share ("***Series B-1 Preferred Stock***")	32,936,919
Series C-1 Convertible Preferred Stock, $.0001 par value per share ("***Series C-1 Preferred Stock***")	14,674,062

The rights, preferences, privileges and restrictions granted to and imposed upon the various classes and series of stock of the Corporation are as follows:

B. Common Stock.

The powers, preferences, rights, qualifications, limitations and restrictions of the shares of the Common Stock are as follows:

1. General. The voting, dividend and liquidation and other rights of the holders of the Common Stock are expressly made subject to and qualified by the rights of the holders of any series of Preferred Stock. All shares of Common Stock will be identical and will entitle the holders thereof to the same rights and privileges.

2. Voting Rights.

(a) Generally. The holders of record of the Common Stock are entitled to one (1) vote per share on all matters to be voted on by the Corporation's stockholders. Except as provided by law or this Restated Certificate, holders of Common Stock shall vote together as a single class on all matters with the holders of Preferred Stock. 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 (or written consent in lieu thereof) of the holders of a majority of the shares of capital stock of the Corporation entitled to vote thereon, without a vote of the holders of the Common Stock voting as a separate class, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware or any successor provision.

(b) Election of Directors. In addition to voting as a single class with the holders of the Preferred Stock for the election of directors, the holders of the Common Stock voting separately shall at all times be entitled to elect one (1) member of the board of directors of the Corporation (the "***Board of Directors***"). In the case of any vacancy (other than a vacancy caused by removal) in the office of a director occurring among the directors elected by the

holders of a majority of the Common Stock pursuant to this Section B.2(b), the remaining directors so elected by that class or series may by affirmative vote of a majority thereof (or the remaining director so elected if there be but one, or if there are no such directors remaining, by the affirmative vote of the holders of a majority of the Common Stock), elect a successor or successors to hold office for the unexpired term of the director or directors whose place or places shall be vacant. Any director who shall have been elected by the holders of the Common Stock or by any directors so elected as provided in the immediately preceding sentence hereof may be removed during the aforesaid term of office, either with or without cause, by, and only by, the affirmative vote of a majority of the holders of the Common Stock, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders, and any vacancy thereby created may be filled by the holders of that class or series of stock represented at the meeting or pursuant to written consent.

3. Dividends. Dividends may be declared and paid on the Common Stock from funds lawfully available therefor if, as and when determined by the Board of Directors in their sole discretion, subject to provisions of law and any provision of this Restated Certificate, as amended from time to time, and subject to the relative rights and preferences of any shares of Preferred Stock authorized, issued and outstanding hereunder.

4. Liquidation. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment or provision for payment of the debts and other liabilities of the Corporation and the amounts to which the holders of any Preferred Stock shall be entitled, the holders of Common Stock shall be entitled (together as one class) to share ratably in the remaining assets of the Corporation, together with any class or series of Preferred Stock entitled to share therein pursuant to this Restated Certificate.

C. Preferred Stock.

The powers, preferences, rights, qualifications, limitations and restrictions of the shares of Preferred Stock are as follows:

1. Dividends.

(a) Preferred Stock Dividends and Payments.

(i) Series B-1 Preferred Stock and Series C-1 Preferred Stock. The holders of shares of Series B-1 Preferred Stock and the holders of shares of Series C-1 Preferred Stock shall be entitled to receive, on a pari passu basis, out of funds legally available therefor, prior and in preference to any dividends payable on shares of Series A-1 Preferred Stock or Common Stock (other than dividends payable in shares of Common Stock), dividends at the rate of eight percent (8%) of the applicable Original Issue Price (as defined in Section C.1(b) below) per share per annum. Such dividends shall be non-cumulative, and shall only be payable if, when and as declared by the Board of Directors. In the event that the Corporation declares or pays any cash dividends on shares of Series A-1 Preferred Stock or Common Stock, the Corporation shall also declare and pay any such preferred cash dividend with respect to shares of Series B-1 Preferred Stock and Series C-1 Preferred Stock.

(ii) Series A-1 Preferred Stock. The holders of shares of Series A-1 Preferred Stock shall be entitled to receive, out of funds legally available therefor, prior and in preference to any dividends payable on shares of Common Stock (other than dividends payable in shares of Common Stock), dividends at the rate of eight percent (8%) of the

applicable Original Issue Price (as defined in Section C.1(b) below) per share per annum. Such dividends shall be non-cumulative, and shall only be payable if, when and as declared by the Board of Directors. In the event that the Corporation declares or pays any cash dividends on shares of Common Stock, the Corporation shall also declare and pay any such preferred cash dividend with respect to shares of Series A-1 Preferred Stock.

(iii) The Corporation shall not declare, pay or set aside any Distributions (as defined below) payable on shares of Common Stock unless the holders of the Preferred Stock then outstanding shall first receive, or simultaneously receive, a Distribution on each outstanding share of Preferred Stock equal to the product of (i) the per share Distribution to be declared, paid or set aside for the Common Stock, multiplied by (ii) the

number of shares of Common Stock into which such share of Preferred Stock is then convertible; provided, however, that no such declaration, payment or setting aside of Distributions shall occur until all dividends declared but unpaid on the Preferred Stock have been paid.

(iv) As used in this section, "***Distribution***" means the transfer of cash or property without consideration, whether by way of dividend or otherwise (except a dividend in shares of Common Stock) or the purchase of shares of the Corporation (other than in connection with the repurchase of shares of Common Stock issued to or held by employees, consultants, officers or directors pursuant to agreements providing for the right of such repurchase upon the cessation of their employment or services, at the lower of fair market value or cost) for cash or property.

(b) Original Issue Price. The applicable "***Original Issue Price***" for each series of Preferred Stock shall be: (i) $1.0763 per share for the Series A-1 Preferred Stock, (ii) $1.0763 per share for the Series B-1 Preferred Stock, and (iii) $2.25568 per share for the Series C-1 Preferred Stock.

2. Liquidation, Dissolution, or Winding-Up.

(a) Distributions to Holders of Series B-1 Preferred Stock or Series C-1 Preferred Stock. In the event of any liquidation, dissolution, or winding-up of the Corporation, whether voluntary or involuntary (each such event being hereinafter referred to as a "***Liquidation Event***"), or a Deemed Liquidation Event (as defined below), the holders of outstanding shares of Series B-1 Preferred Stock and the holders of outstanding shares of Series C-1 Preferred Stock shall be entitled to be paid first out of the assets of the Corporation available for distribution to stockholders, on a pari passu basis and before any distribution or payment is made upon Series A-1 Preferred Stock and Common Stock, (i) an amount per share of Series B-1 Preferred Stock (the "***Series B-1 Liquidation Value***") equal to the sum of (A) the Original Issue Price of Series B-1 Preferred Stock (such amount to be subject to proportionate adjustment in the event of any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event affecting Series B-1 Preferred Stock and occurring after the date of filing of this Restated Certificate), plus (B) an amount equal to the aggregate of all dividends declared but unpaid in respect of such share of Series B-1 Preferred Stock and (ii) an amount per share of Series C-1 Preferred Stock (the "***Series C-1 Liquidation Value***") equal to the sum of (A) the Original Issue Price of Series C-1 Preferred Stock (such amount to be subject to proportionate adjustment in the event of any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event affecting Series C-1 Preferred Stock and occurring after the date of filing of this Restated Certificate), plus (B) an amount equal to the aggregate of all dividends declared but unpaid in respect of such share of

Series C-1 Preferred Stock. Such amounts shall be paid to the holders of Series B-1 Preferred Stock and the holders of Series C-1 Preferred Stock before any payment shall be made to the holders of Series A-1 Preferred Stock or Common Stock or any other class or series of stock ranking on liquidation junior to Series B-1 Preferred Stock by reason of their ownership thereof. If, upon a Liquidation Event or Deemed Liquidation Event, the assets of the Corporation available for distribution shall be insufficient to make payment in full to all holders of Series B-1 Preferred Stock and all holders of Series C-1 Preferred Stock of their full Series B-1 Liquidation Value and Series C-1 Liquidation Value, then such assets shall be distributed among the holders of Series B-1 Preferred Stock and the holders of Series C-1 Preferred Stock at the time outstanding, ratably in proportion to the full preferential amount each such holder is otherwise entitled to receive.

(b) Distributions to Holders of Series A-1 Preferred Stock. After payment in accordance with the foregoing has been made in full to the holders of Series B-1 Preferred Stock and the holders of Series C-1 Preferred Stock or funds necessary for such payment have been set aside by the Corporation in trust for the exclusive benefit of such holders so as to be available for such payment, the holders of outstanding shares of Series A-1 Preferred Stock shall be entitled to be paid out of any remaining assets and funds of the Corporation available for distribution to stockholders, before any distribution or payment is made upon Common Stock, an amount per share of Series A-1 Preferred Stock (the "***Series A-1 Liquidation Value***") equal to the sum of (A) the Original Issue Price of Series A-1 Preferred Stock (such amount to be subject to proportionate adjustment in the event of any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event affecting Series A-1 Preferred Stock and occurring after the date of filing of this Restated Certificate), plus (B) an amount equal to the aggregate of all dividends declared but unpaid in respect of such share of Series A-1 Preferred Stock. Such amounts shall be paid to the holders of the Series A-1 Preferred Stock before any payment shall be made to the holders of Common Stock or any other class or series of stock ranking on liquidation junior to Series A-1 Preferred Stock by reason of their ownership thereof. If, upon a Liquidation Event or Deemed Liquidation Event, (1) the assets of the Corporation available for distribution shall be insufficient to make payment in full to all holders of Series A-1 Preferred Stock of their full Series A-1 Liquidation Value, then such assets shall be distributed among the holders of Series A-1 Preferred Stock at the time outstanding, ratably in proportion to the full preferential amount each such holder is otherwise entitled to receive.

(c) Remaining Distributions. After payments in accordance with the foregoing clause (a) and (b) have been made in full to the holders of Preferred Stock or funds necessary for such payment have been set aside by the Corporation in trust for the exclusive benefit of such holders so as to be available for such payment, any remaining assets and funds of the Corporation available for distribution shall be distributed ratably among the holders of Common Stock and the holders of the Preferred Stock, on an as-if converted to Common Stock basis.

(d) Deemed Liquidations.

(i) For purposes of this Section C.2, a Liquidation Event shall be deemed to be occasioned by, or to include, any transaction or series of related transactions (including, without limitation, any stock acquisition, reorganization, merger or consolidation): (A) involving the merger or consolidation of the Corporation, or a subsidiary of the Corporation, into or with another entity (other than a transaction or series of related transactions in which the holders of the voting securities of the Corporation outstanding immediately prior to such transaction continue to retain (either by such voting securities

remaining outstanding or by such voting securities being converted into voting securities of the surviving entity), as a result of shares in the Corporation held by such holders prior to such transaction, more than fifty percent (50%) of the total voting power represented by the voting securities of the Corporation or such surviving entity outstanding immediately after such transaction or series of transactions), or (B) involving the sale, lease, transfer, exchange, exclusive license or other conveyance of all or substantially all of the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation (each such transaction, a "***Deemed Liquidation Event***").

(ii) Upon the election of the holders of at least a majority of the then outstanding Preferred Stock, voting together as a single class on an as-if converted to Common Stock basis, to not consider the foregoing events a Deemed Liquidation Event, all holders of Preferred Stock shall be deemed to have made such election and such election shall bind all holders of the Preferred Stock.

(iii) In the event of a Liquidation Event or Deemed Liquidation Event resulting in the availability of assets other than cash, the holders of Preferred Stock will be entitled to elect to receive (and proper provision shall be made including by the successor or acquiring entity in such transaction so that the holders have the right to elect to receive) out of the proceeds of the transaction to be received by the Corporation or its stockholders, a distribution of cash and, in the event there is insufficient cash available to satisfy the liquidation preferences and other distribution rights stated in this Section C.2, other assets equal in value to the liquidation preference and other distribution rights stated in this Section C.2.

(iv) If the Corporation effects any consolidation, merger or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property and such transaction does not constitute a Deemed Liquidation Event pursuant to this Section C.2(d) or if the provisions of Section C.2(d)(i) are waived as set forth in Section C.2(d)(ii), then in any such case either (1) the Preferred Stock will continue to be outstanding or (2) if the Corporation does not exist after such event, the successor corporation or ultimate parent thereof, if applicable, will, as a condition to the effectiveness of such transaction, be required to issue to the holders of the Preferred Stock senior convertible securities, and in each such case provision shall be made so that the holders of the Preferred Stock or such senior convertible securities shall thereafter be entitled to receive upon conversion thereof the number of shares of stock or other securities or property of the Corporation to which a holder of the number of shares of Common Stock deliverable upon conversion of the Preferred Stock would have been entitled upon such consolidation, merger, or other transaction, subject to adjustment in respect of such stock or securities by the terms thereof. In any such case, appropriate adjustment shall be made in the application of the provisions of Section C.4 with respect to the rights of the holders of Preferred Stock or such senior convertible securities after the consolidation, merger or other transaction to the end that the provisions of Section C.4 (including adjustment of the applicable Conversion Price for such series of Preferred Stock or senior convertible securities then in effect and the number of shares issuable upon conversion of

such series of Preferred Stock or senior convertible securities, as applicable), shall be applicable after that event and be as nearly equivalent as practicable.

(e) Notice. The Corporation shall give each holder of record of Preferred Stock written notice of an impending transaction described in Section C.2(d)(iv) above not later than twenty (20) days prior to the stockholders' meeting called to approve such transaction, or twenty (20) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending transaction and the provisions of this Section C.2, and the Corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than twenty (20) days after the 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; provided, however, that such periods may be shortened upon the written consent of the holders of Preferred Stock that are entitled to such notice rights or similar notice rights and that represent at least a majority of the outstanding shares of Preferred Stock, voting together as a single class on an as-if converted to Common Stock basis.

(f) Non-Cash Distributions. In the event that such distribution to the holders of shares of Preferred Stock will include any assets other than cash, the Board of Directors will first determine in good faith and with due care the value of such assets for such purpose, except that (i) any publicly-traded securities to be distributed to stockholders in a liquidation, dissolution or winding up of the Corporation shall be valued as follows: (A) if the securities are then traded on a national securities exchange (or a national quotation system), then the value of the securities shall be deemed to be the average of the closing prices of the securities on such exchange or system over the ten (10) trading day period ending three (3) trading days prior to the distribution or (B) if the securities are actively traded over-the counter, then the value of the securities shall be deemed to be the average of the closing bid prices of the securities over the ten (10) trading day period ending three (3) trading days prior to the distribution, or (ii) if there is no public trading market for such securities and the holders of a majority of the outstanding Preferred Stock, voting together as a single class on an as-if converted to Common Stock basis, object to such valuation, then the value shall be the fair market value thereof, as mutually determined by the Corporation and the holders of a majority of the outstanding Preferred Stock, voting together as a single class on an as-if converted to Common Stock basis, and, provided further, that, if the Board of Directors and the holders of a majority of the outstanding Preferred Stock, voting together as a single class on an as-if converted to Common Stock basis, are unable to reach an agreement, then by independent appraisal by an investment bank hired and paid by the Corporation, but reasonably acceptable to the holders of a majority of the outstanding Preferred Stock, voting together as a single class on an as-if converted to Common Stock basis. The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the fair market value determined as above in clause (i) or (ii) above to reflect the approximate fair market value thereof, as mutually determined by the Corporation and the holders of a majority of the outstanding Preferred Stock, voting together as a single class on an as-if converted to Common Stock basis; and, provided further, that, if the Corporation and the holders of a majority of the outstanding Preferred Stock, voting together as a single class on an as-if converted to Common Stock basis are unable to reach an agreement, then by independent appraisal by an investment bank hired and paid by the Corporation, but reasonably acceptable to

the holders of a majority of the outstanding Preferred Stock, voting together as a single class on an as-if converted to Common Stock basis.

In the event of a merger or other acquisition of the Corporation by another entity, the distribution date shall be deemed to be the date such transaction closes.

For the purposes of this Section C.2(f), "trading day" shall mean any day on which the exchange or system on which the securities to be distributed are traded is open and "closing prices" or "closing bid prices" shall be deemed to be: (x) for securities traded primarily on the New York Stock Exchange, the NYSE MKT or Nasdaq, the last reported trade price or sale price, as the case may be, at 4:00 p.m., New York time, on that day and (y) for securities listed or traded on other exchanges, markets and systems, the market price as of the end of the "regular hours" trading period that is generally accepted in the securities industry for determining the market price of a stock as of a given trading day shall change from those set forth above, the fair market value shall be determined as of such other generally accepted benchmark times.

(g) Allocation of Escrow. In the event of a Deemed Liquidation Event, if any portion of the consideration payable to the stockholders of the Corporation is placed into escrow or is payable to the stockholders of the Corporation subject to contingencies, the agreement or plan of

merger or consolidation for such transaction shall provide that (i) the portion of such consideration that is not placed in escrow and not subject to any contingencies (the "***Initial Consideration***") shall be allocated among the holders of capital stock of the Corporation in accordance with Sections C.2(a), C.2(b) and C.2(c) as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event and (ii) any additional consideration which becomes payable to the stockholders of the Corporation upon release from escrow or satisfaction of contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Sections C.2(a), C.2(b) and C.2(c) after taking into account the previous payment of the Initial Consideration as part of the same transaction.

3. Voting Rights.

(a) Restricted Class Voting. Except as otherwise expressly provided herein or as required by law, the holders of Preferred Stock and the holders of Common Stock shall vote together and not as separate classes.

(b) No Series Voting. Other than as provided herein or required by law, there shall be no series voting.

(c) Preferred Stock. Each holder of Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which the shares of Preferred Stock held by such holder could be converted as of the record date. The holders of shares of the Preferred Stock shall be entitled to vote on all matters on which the Common Stock shall be entitled to vote. Holders of Preferred Stock shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted) shall be disregarded.

(d) Election of Directors.

(i) Series A-1 Director. In addition to voting as a single class with the holders of the Common Stock, Series B-1 Preferred Stock and Series C-1 Preferred

Stock for the election of directors, the holders of the Series A-1 Preferred Stock voting separately shall at all times be entitled to elect three (3) members of the Board of Directors (each, a "***Series A-1 Director***"). In the case of any vacancy (other than a vacancy caused by removal) in the office of a director occurring among the directors elected by the holders of a majority of the Series A-1 Preferred Stock pursuant to this Section C.3(d)(i), the remaining directors so elected by that class or series may by affirmative vote of a majority thereof (or the remaining director so elected if there be but one, or if there are no such directors remaining, by the affirmative vote of the holders of a majority of the Series A-1 Preferred Stock), elect a successor or successors to hold office for the unexpired term of the director or directors whose place or places shall be vacant. Any director who shall have been elected by the holders of the Series A-1 Preferred Stock or by any directors so elected as provided in the immediately preceding sentence hereof may be removed during the aforesaid term of office, either with or without cause, by, and only by, the affirmative vote of a majority of the holders of the Series A-1 Preferred Stock, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders, and any vacancy thereby created may be filled by the holders of that class or series of stock represented at the meeting or pursuant to written consent.

(ii) Series B-1 Director. In addition to voting as a single class with the holders of the Common Stock, Series A-1 Preferred Stock and Series C-1 Preferred Stock for the election of directors, the holders of the Series B-1 Preferred Stock voting separately shall at all times be entitled to elect one (1) member of the Board of Directors (the "***Series B-1 Director***"). In the case of a vacancy (other than a vacancy caused by removal) in such office elected by the holders of a majority of the Series B-1 Preferred Stock pursuant to this Section C.3(d)(ii), the affirmative vote of the holders of a majority of the Series B-1 Preferred Stock may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. Any director who shall have been elected by the holders of the Series B-1 Preferred Stock so elected as provided in the immediately preceding sentence hereof may be removed during the aforesaid term of office, either with or without cause, by, and only by, the affirmative vote of a majority of the holders of the Series B-1 Preferred Stock, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders, and any vacancy thereby created may be filled by the holders of that class or series of stock represented at the meeting or pursuant to written consent.

(iii) Series C-1 Director. In addition to voting as a single class with the holders of the Common Stock, Series A-1 Preferred Stock and Series B-1 Preferred Stock for the election of directors, the holders of the Series C-1 Preferred Stock voting separately shall at all times be entitled to elect one (1) member of the Board of Directors (the "***Series C-1 Director,***" and together with the Series A-1 Directors and the Series B-1 Director, the "***Preferred Directors***"). In the case of a vacancy (other than a vacancy caused by removal) in such office elected by the holders of a majority of the Series C-1 Preferred Stock pursuant to this Section C.3(d)(iii), the affirmative vote of the holders of a majority of the Series C-1 Preferred Stock may elect a successor to hold office for the unexpired term of the director whose place shall be vacant. Any director who shall have been elected by the holders of the Series C-1 Preferred Stock so elected as provided in the immediately preceding sentence hereof may be removed during the aforesaid term of office, either with or without cause, by, and only by, the affirmative vote of a majority of the holders of the Series C-1 Preferred Stock, given either at a special meeting of such stockholders duly called for that

purpose or pursuant to a written consent of stockholders, and any vacancy thereby created may be filled by the holders of that class or series of stock represented at the meeting or pursuant to written consent.

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, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Corporation or any transfer agent for the Preferred Stock, into that number of fully-paid, non-assessable shares of Common Stock determined by dividing the applicable Original Issue Price (as adjusted for any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar events affecting such series) by the Conversion Price for such series. The rate at which shares of Preferred Stock of a series may be converted into shares of Common Stock is hereinafter referred to as the "***Conversion Rate***" for each such series. The initial "***Conversion Price***" shall be with respect to Series A-1 Preferred Stock, $1.0763, with respect to Series B-1 Preferred Stock, $1.0763, and with respect to

Series C-1 Preferred Stock, $2.25568. Upon any decrease or increase in the applicable Conversion Price of the Preferred Stock, as described in this Section C.4, the Conversion Rate for the applicable Preferred Stock shall be appropriately increased or decreased.

(b) Automatic Conversion

(i) Each share of Preferred Stock shall automatically be converted into fully-paid, non-assessable shares of Common Stock at the then effective applicable Conversion Rate for such share: (i) immediately prior to the closing of a firm commitment underwritten initial public offering pursuant to an effective registration statement filed under the Securities Act of 1933, as amended (the "***Securities Act***"), covering the offer and sale of the Corporation's Common Stock, provided that the offering price per share is not less than $4.51136 (as adjusted for any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar events affecting the Common Stock), and the gross proceeds to the Corporation are at least $50,000,000 (a "***Qualified Public Offering***"); or (ii) upon the receipt of the Corporation of a written request for such conversion from the holders of at least a majority of the then outstanding shares of Preferred Stock, voting together as a single class on an as-if converted to Common Stock basis, indicating their election to convert (each of the events referred to in (i) and (ii) are referred to herein as an "***Automatic Conversion Event***").

(ii) Special Mandatory Conversion.

(1) Trigger Event. Upon an Event of Non-Payment (as defined in that certain Series B-1 Convertible Preferred Stock Purchase Agreement dated as of February 20, 2015 (the "***Series B-1 Purchase Agreement***")) with respect to any holder of Series B-1 Preferred Stock, any and all Preferred Stock held by such holder shall automatically, and without any further action on the part of such holder, be converted into fully-paid, non-assessable shares of Common Stock at the then effective applicable Conversion Rate for such share pursuant to this Section C.4(b)(ii) (the "***Special Mandatory Conversion***").

(2) Procedural Requirements. Upon a Special Mandatory Conversion, each holder of shares of Series B-1 Preferred Stock converted pursuant to this Section C.4(b)(ii) shall be sent written notice of such Special Mandatory Conversion and the place designated for mandatory conversion of all such shares of Preferred Stock pursuant to this Section C.4(b)(ii). Upon receipt of such notice, each holder of such shares of Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that any such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to this Section C.4(b)(ii), including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the time of the Special Mandatory Conversion (notwithstanding the failure of the holder or holders thereof to surrender any certificates for such shares at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders therefor (or lost certificate affidavit and agreement), to receive the items provided for in the next sentence of this Section C.4(b)(ii)(2). As soon as practicable after the Special Mandatory Conversion and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock so converted, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and (b) pay cash as provided in this Section C.4(b)(ii) in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

(c) Mechanics of Conversion.

(i) In the event any shares of Preferred Stock are converted into Common Stock as set forth in Section C.4(b), the Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Stock:

(1) a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as foresaid;

(2) a check payable to such holder in the amount of any declared but unpaid dividends on the converted Preferred Stock to which the holder may be entitled and which was not paid in Common Stock; and

(3) a certificate representing any shares of Preferred Stock which were represented by the certificate or certificates delivered to the Corporation in connection with such conversion but which were not converted.

(ii) No fractional shares of Common Stock shall be issued upon conversion of Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the then fair market value of a share of Common Stock as determined by the Board of Directors. For such purpose, all shares of Preferred Stock held by each holder of Preferred Stock that are then being converted shall be aggregated, and any resulting fractional share of Common Stock shall be paid in cash. Before any holder of Preferred Stock shall be entitled to convert the same into full shares of Common Stock, and to receive certificates therefor, he shall either: (A) surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Preferred Stock; or (B) give written notice to the Corporation or its transfer agent that such certificates have been lost, stolen or destroyed and execute an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates, and shall give written notice to the Corporation at such office that he elects to convert the same. Notwithstanding the foregoing, on the date of an Automatic Conversion Event, the outstanding shares of Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such Automatic Conversion Event unless either the certificates evidencing such shares of Preferred Stock are delivered to the Corporation or its transfer agent as provided above, or the holder notifies the Corporation or its transfer agent that such certificates have been lost, stolen

or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. On the date of the occurrence of an Automatic Conversion Event, each holder of record of shares of Preferred Stock shall be deemed to be the holder of record of the Common Stock issuable upon such conversion, notwithstanding that the certificates representing such shares of Preferred Stock shall not have been surrendered at the office of the Corporation, that notice from the Corporation shall not have been received by any holder of record of shares of Preferred Stock, or that the certificates evidencing such shares of Common Stock shall not then be actually delivered to such holder.

The Corporation shall, as soon as practicable after such delivery, or after such agreement and indemnification, issue and deliver at such office to such holder of Preferred Stock, (i) a certificate or certificates for the number of shares of Common Stock to which such stockholder shall be entitled as aforesaid, (ii) a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Common Stock and (iii) a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common Stock, plus any declared and unpaid dividends on the converted Preferred Stock. 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, 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;

provided, however, that if the conversion is in connection with an underwritten offer of securities registered pursuant to the Securities Act or a merger, sale, financing, or liquidation of the Corporation or other event, the conversion may, at the option of any holder tendering Preferred Stock for conversion, be conditioned upon the closing of such transaction or upon the occurrence of such event, in which case the person(s) entitled to receive the Common Stock issuable upon such conversion of the Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such transaction or the occurrence of such event.

(d) Adjustments to Conversion Price for Diluting Issues.

(i) Additional Definitions. For purposes of this Section C.4(d) the following definitions shall apply:

(1) "***Option***" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(2) "***Convertible Securities***" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(3) "***Additional Shares of Common***" shall mean all shares of Common Stock issued (or, pursuant to Section C.4(d)(iii), deemed to be issued) by the Corporation after the filing of this Restated Certificate, other than shares of Common Stock, Options or Convertible Securities:

(A) issued pursuant to that certain Series C-1 Convertible Preferred Stock Purchase Agreement dated on or about the date of filing of this Restated Certificate;

(B) issued pursuant to the Series B-1 Purchase Agreement;

(C) issued or issuable to employees, consultants, directors or advisors of the Corporation pursuant to a stock option plan or restricted stock plan or agreement approved by the Board of Directors, not to exceed 15,711,906 shares of Common Stock (excluding shares repurchased at cost by the Corporation in connection with the termination of service), or such higher number as may be approved by a majority of the Board of Directors, including a majority of the Preferred Directors;

(D) issued upon the exercise or conversion of Options or Convertible Securities outstanding as of the date of the filing of this Restated Certificate or upon the exercise of conversion of Options or Convertible Securities described in Section C.4(d)(i)(3)(A) or Section C.4(d)(i)(3)(B) above;

(E) issued or issuable as a dividend or distribution on Preferred Stock or pursuant to any event for which adjustment is made pursuant to Sections C.4(e), C.4(f) or C.4(g) hereof;

(F) issued in a Qualified Public Offering;

(G) issued or issuable pursuant to the bona fide acquisition of another entity by the Corporation by merger, purchase of substantially all of the assets or other reorganization, or to a joint venture agreement, which transaction is approved by a majority of the Board of Directors;

(H) issued or issuable (1) to banks, equipment lessors or other financial institutions, or to real property lessors pursuant to a debt financing, equipment lease, bank credit arrangement, commercial leasing transaction or real property leasing transaction entered into for primarily non-equity financing purposes and approved by a majority of the Board of Directors; (2) in connection with sponsored research, collaboration, technology license, development, distribution, marketing or other similar agreements or strategic partnerships entered into for primarily non-equity financing purposes and approved by a majority of the Board of Directors (including the right to receive any Option, Convertible Security or shares of Common Stock pursuant to any such agreement existing on the date of filing of this Restated Certificate); and (3) to suppliers or third party service providers in connection with the provision of goods or services pursuant to transactions approved by a majority of the Board of Directors;

(I) issued or issuable upon conversion of the shares of Preferred Stock; ((A) through (I), along with any securities approved in clause (J) below, collectively, the "***Exempted Securities***"); and

(J) issued or issuable in connection with any transaction of the Corporation and approved as Exempted Securities by (a) the holders of at least a majority of the outstanding Preferred Stock (voting together as a single class on an as-if converted to Common Stock basis) and (b) if the consideration per share (as determined pursuant to Section C.4(d)(v)) for such shares of Common Stock, Options or Convertible Securities is below the Conversion Price of the Series C-1 Preferred Stock but above the Conversion Price of the Series B-1 Preferred Stock, the holders of at least a majority of the outstanding Series C-1 Preferred Stock.

(ii) No Adjustment of Conversion Price. No adjustment in the Conversion Price of the applicable series of Preferred Stock shall be made in respect of the issuance of Additional Shares of Common unless the consideration per share (as determined pursuant to Section C.4(d)(v)) for an Additional Share of Common issued or deemed to be issued by the Corporation is less than the Conversion Price for such series of Preferred Stock in effect on the date of and immediately prior to such issuance.

(iii) Deemed Issue of Additional Shares of Common. In the event the Corporation at any time or from time to time after the date of the filing of this Restated Certificate shall issue or amend any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities, the conversion or exchange of such Convertible Securities or, in the case of Options for Convertible Securities, the exercise of such Options and the conversion or exchange of the underlying securities, shall be deemed to

have been issued as of the time of such issue or amendment, as applicable, or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that in any such case in which shares are deemed to be issued:

(1) no further adjustment in the Conversion Price of the applicable series of Preferred Stock shall be made upon the subsequent issue of Convertible Securities or shares of Common Stock in connection with the exercise of such Options or conversion or exchange of such Convertible Securities;

(2) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any change in the consideration payable to the Corporation or in the number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (other than a change pursuant to the anti-dilution provisions of such Options or Convertible Securities such as this Section C.4(d) or pursuant to recapitalization, reorganization, adjustment or similar provisions of such Options or Convertible Securities such as Sections C.4(e), C.4(f) and C.4(g) hereof), the Conversion Price of the applicable series of Preferred Stock and any subsequent adjustments based thereon shall be recomputed to reflect such change as if such change had been in effect as of the original issue thereof (or upon the occurrence of the record date with respect thereto);

(3) no readjustment pursuant to clause (2) above or clause (4) below shall have the effect of increasing the Conversion Price of the applicable series of Preferred Stock to an amount above the Conversion Price that would have resulted from any other issuances of Additional Shares of Common and any other adjustments provided for herein between the original adjustment date and such readjustment date;

(4) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price of the applicable series of Preferred Stock computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto) and any subsequent adjustments based thereon shall, upon such expiration, be recomputed as if:

(a) in the case of Convertible Securities or Options for Common Stock, the only Additional Shares of Common issued were the shares of Common Stock if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefore was the consideration actually received by the Corporation for the issue of such Options plus the consideration actually received by the Corporation upon such exercise or for the issue of all such Convertible Securities, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange; and

(b) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common deemed to have been then issued was the consideration actually received by the Corporation for the issue of such Options, plus the consideration deemed to have been received by the Corporation (determined pursuant to Section C.4(d)(v)) upon the issue of the

Convertible Securities with respect to which such Options were actually exercised; and

(5) if such record date shall have been fixed and such Options or Convertible Securities are not issued on the date fixed therefore, the adjustment previously made in the applicable Conversion Price which became effective on such record date shall be canceled as of the close of business on such record date, and thereafter the applicable Conversion Price shall be adjusted pursuant to this Section C.4(d)(iii) as of the actual date of their issuance.

(iv) Adjustment of Conversion Price Upon Issuance of Additional Shares of Common. In the event this Corporation at any time or from time to time after the date of the filing of this Restated Certificate shall issue Additional Shares of Common (including Additional Shares of Common deemed to be issued pursuant to Section C.4(d)(iii)) without consideration or for a consideration per share less than the Conversion Price of the applicable series of Preferred Stock in effect on the date of and immediately prior to such issue, then the Conversion Price of each such applicable series of Preferred Stock shall be reduced, concurrently with such issue, to a price determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common so issued would purchase at each such Conversion Price, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of such Additional Shares of Common so issued. Notwithstanding the foregoing, each such Conversion Price shall not be reduced at such time if the amount of such

reduction would be less than $0.01, but any such amount shall be carried forward, and a reduction will be made with respect to such amount at the time of, and together with, any subsequent reduction which, together with such amount and any other amount so carried forward, equal $0.01 or more in the aggregate. For the purposes of this Section C.4(d)(iv), all shares of Common Stock issuable upon conversion of all outstanding shares of Preferred Stock and the exercise and/or conversion of any other outstanding Convertible Securities (excluding convertible debt with no fixed conversion price) and all outstanding Options shall be deemed to be outstanding.

(v) Determination of Consideration. For purposes of this Section C.4(d), the consideration received by the Corporation for the issue (or deemed issue) of any Additional Shares of Common shall be computed as follows:

(1) Cash and Property. Such consideration shall:

(a) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation after deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with such issuance;

(b) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(c) in the event Additional Shares of Common are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so

received, computed as provided in clauses (a) and (b) above, as reasonably determined in good faith by the Board of Directors.

(2) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common deemed to have been issued pursuant to Section C.4(d)(iii) shall be determined by dividing:

(a) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversions or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by

(b) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(e) Adjustments for Subdivisions or Combinations of Common Stock. In the event the outstanding shares of Common Stock shall be subdivided (by stock split, by payment of a stock dividend or otherwise), into a greater number of shares of Common Stock, the Conversion Price of the applicable series of Preferred Stock in effect immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding shares of Common Stock shall be combined (by reverse stock split, reclassification or otherwise) into a lesser number of shares of Common Stock, the applicable Conversion Prices in effect immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately increased.

(f) Adjustments for Subdivisions or Combinations of Preferred Stock. In the event the outstanding shares of Preferred Stock shall be subdivided (by stock split, by payment of a stock dividend or otherwise), into a greater number of shares of Preferred Stock, the Original Issue Price of the affected series of Preferred Stock and the Series A-1 Liquidation Value, Series B-1 Liquidation Value or Series C-1 Liquidation Value, as applicable, in effect immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding shares of Preferred Stock shall be combined (by reverse stock split, reclassification or otherwise) into a lesser number of shares of Preferred Stock, the Original Issue Price of the affected series of Preferred Stock and the Series A-1 Liquidation Value, Series B-1 Liquidation Value or Series C-1 Liquidation Value, as applicable, in effect immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately increased.

(g) Adjustments for Reclassification, Exchange and Substitution. Subject to Section C.2 above, if at any time after the filing of this Restated Certificate, the Common Stock issuable upon conversion of the Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital

reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), then, in any such event, in lieu of the number of shares of Common Stock which the holders would otherwise have been entitled to receive, each holder of such Preferred Stock shall have the right thereafter to convert such shares of Preferred Stock into a number of shares of such other class or classes of stock which a holder of the number of shares of Common Stock deliverable upon conversion of the Preferred Stock immediately before that change would have been entitled to receive in such reorganization or reclassification, all subject to further adjustment as provided herein with respect to such other shares.

(h) Other Distributions. Subject to Section C.2 hereof, in the event the Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in Section C.4(d)(iii), in each case as permitted hereunder, then, in each such case for the purpose of this Section C.4(h), the holders of the Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of this corporation into which their shares of Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution.

(i) No Impairment. The Corporation will not through any reorganization, transfer of assets, 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 to be observed or performed hereunder by the Corporation but will at all times in good faith assist in the carrying out of all the provisions of this Section C.4 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of Preferred Stock against impairment. Notwithstanding the foregoing, nothing in this Section C.4(i) shall prohibit the Corporation from amending its Restated Certificate with the requisite consent of its stockholders and the Board of Directors.

(j) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of a Conversion Price pursuant to this Section C.4, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Preferred Stock to which adjustments or readjustments of Conversion Price applies a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written 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 Prices 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 conversion of Preferred Stock.

(k) Waiver of Adjustment of Conversion Price. Notwithstanding anything herein to the contrary, any downward adjustment of the Conversion Price of a series of Preferred Stock pursuant to Section C.4(d)(iv) may be waived, either prospectively or retroactively and either generally or in a particular instance, by the consent or vote of the holders of a majority of the outstanding shares of such series of Preferred Stock. Any such waiver shall bind all future holders of shares of such series of Preferred Stock. A copy of any such waiver shall be provided to the holders of shares of such series of Preferred Stock upon request to the Secretary of the Corporation. Prompt notice of any such waiver shall be given to those holders of shares of such series of Preferred Stock who have not consented to such waiver.

(l) Notices of Record Date. In the event of any taking by the 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 which is the same as cash dividends paid in previous quarters) or other distribution, the Corporation shall mail to each holder of Preferred Stock at least ten (10) 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.

(m) Reservation of Stock Issuable Upon Conversion. The 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 the Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation 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.

5. Covenants.

(a) So long as 18,174,034 shares of Preferred Stock shall remain outstanding, the Corporation shall not (whether by merger, consolidation, operation of law or otherwise) without the written consent of the holders of at least a majority of the outstanding Preferred Stock (voting together as a single class on an as-if converted to Common Stock basis):

(i) effect any Liquidation Event or effect any Deemed Liquidation Event;

(ii) amend, alter or repeal any provision of this Restated Certificate or Bylaws of the Corporation;

(iii) create or authorize the creation of or issue any other security (including any security convertible into or exercisable for any equity security) having rights, preferences or privileges senior to or on parity with, or adversely affecting the rights, preferences, privileges or interests of, the Preferred Stock, or increase the authorized number of shares of any such security;

(iv) purchase or redeem (or permit any subsidiary to purchase or redeem) any shares of Common Stock (other than stock repurchased from former employees or consultants in connection with the cessation of their employment or services, at the lower of fair market value or cost) or pay any dividend on the Corporation's capital stock, or effect a change in the Corporation's dividend policy;

(v) issue, incur or guarantee any debt, or permit any subsidiary to issue, incur or guarantee any debt, in excess of $500,000, unless such action is approved by a majority of the Board of Directors;

(vi) increase or decrease the size of the Board of Directors;

(vii) license, lease, sell, purchase, acquire or dispose of any asset or intellectual property of the Corporation or any subsidiary unless such transaction is undertaken in the ordinary course of business or is approved by a majority of the Board of Directors;

(viii) enter into any agreement or understanding between the Corporation or any subsidiary of the Corporation, on the one hand, and any director, officer, stockholder or employee of the Corporation or any subsidiary of the Corporation or any family member of such person, on the other hand, other than an agreement or understanding with respect to (A) standard employee benefits generally made available to all employees and (B) standard director and officer indemnification agreements approved by the Board of Directors, and (C) the purchase of shares of the Corporation's capital stock and the issuance of options to purchase shares of the Corporation's capital stock, in each instance, pursuant to a stock option plan or restricted stock plan or agreement approved by the Board of Directors, unless such action is approved by a majority of the Board of Directors (including a majority of the disinterested directors);

(ix) reclassify, alter or amend any existing security of the Corporation; or

(x) increase the authorized number of shares of Preferred Stock or Common Stock.

(b) So long as twenty-five percent (25%) of the originally issued shares of Series A-1 Preferred Stock shall remain outstanding, the Corporation shall not (whether by merger, consolidation, operation of law or otherwise) without the written consent of the holders of at least a majority of the outstanding shares of Series A-1 Preferred Stock amend, alter or repeal any provision of this Restated Certificate to adversely alter or amend the rights, preferences or privileges of Series A-1 Preferred Stock in a manner different from any other series of Preferred Stock (it being understood that the rights, preferences or privileges of the Series A-1 Preferred Stock will not be deemed to be adversely altered or amended by any amendment to this Restated Certificate or the Bylaws of the Corporation authorizing another series of Preferred Stock with rights *pari passu* or senior to those of the Series A-1 Preferred Stock with respect to liquidation preference, dividends or redemption).

(c) So long as twenty-five percent (25%) of the originally issued shares of Series B-1 Preferred Stock shall remain outstanding, the Corporation shall not (whether by merger, consolidation, operation of law or otherwise) without the written consent of the holders of at least a majority of the outstanding shares of Series B-1 Preferred Stock amend, alter or repeal any provision of this Restated Certificate to adversely alter or amend the rights, preferences or privileges of Series B-1 Preferred Stock in a manner different from any other series of Preferred Stock (it being understood that the rights, preferences or privileges of the Series B-1 Preferred Stock will not be deemed to be adversely altered or amended by any amendment to this Restated Certificate or the Bylaws of the Corporation authorizing another series of Preferred Stock with rights *pari passu* or senior to those of the Series B-1 Preferred Stock with respect to liquidation preference, dividends or redemption).

(d) So long as twenty-five (25%) of the originally issued shares of Series C-1 Preferred Stock shall remain outstanding, the Corporation shall not (whether by merger, consolidation, operation of law or otherwise) without the written consent of the holders of at least a majority of the outstanding Series C-1 Preferred Stock:

(i) amend, alter or repeal any provision of this Restated Certificate or the Bylaws of the Corporation to adversely alter or amend the rights, preferences or privileges of the Series C-1 Preferred Stock in a manner different from any other series of Preferred Stock (it being understood that the rights, preferences or privileges

of the Series C-1 Preferred Stock will not be deemed to be adversely altered or amended by any amendment to this Restated Certificate or the Bylaws of the Corporation authorizing another series of Preferred Stock with rights *pari passu* or senior to those of the Series C-1 Preferred Stock with respect to liquidation preference, dividends or redemption);

(ii) increase or decrease the authorized number of shares of Series C-1 Preferred Stock; or

(iii) prior to the second anniversary of the date of filing of this Restated Certificate, effect any Liquidation Event or effect any Deemed Liquidation Event that would result in the holders of the Series C-1 Preferred Stock receiving an amount per share of Series C-1 Preferred Stock less than the Original Issue Price of the Series C-1 Preferred Stock plus a cumulative 8% annual return (compounded annually) on such Original Issue Price from the date of filing of this Restated Certificate in accordance with Section C.2.

6. Redemption. The Preferred Stock and the Common Stock shall not be redeemable.

7. Corporate Opportunity Waiver. The Corporation hereby renounces, to the fullest extent permitted by Section 122(17) of the General Corporation Law of the State of Delaware, any interest or expectancy of the Corporation in, or in being offered, an opportunity to participate in, any Business Opportunity. A "***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 the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, "***Covered Persons***"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person in such Covered Person's capacity as a director of the Corporation. To the fullest extent permitted by law, the 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 Business Opportunity.

8. Miscellaneous.

(a) Notices. All notices, requests, payments, instructions or other documents to be given hereunder will be in writing or by written telecommunication, and will be deemed to have been duly given if (i) delivered personally (effective upon delivery), (ii) mailed by certified mail, return receipt requested, postage prepaid (effective five business days after dispatch), (iii) sent by a reputable, established courier service that provides evidence of delivery and that guarantees next business day delivery (effective the next business day), or (iv) sent by facsimile followed within twenty-four (24) hours by confirmation by one of the foregoing methods (effective upon receipt of the facsimile in complete, readable form), sent to the intended recipient at the recipient's address or facsimile number as it appears on the books of the Corporation.

(b) Transfer Taxes, Etc. The Corporation will pay any and all stock transfer, documentary stamp taxes, and the like that may be payable in respect of any issuance or delivery of shares of Preferred Stock or shares of Common Stock or other securities issued in

respect of shares of Preferred Stock pursuant hereto or certificates representing such shares or securities. The Corporation will not, however, be required to pay any such tax that may be payable in respect of any transfer involved in the issuance or delivery of shares of Preferred Stock or shares of Common Stock or other securities in a name other than that in which such shares were registered, or in respect of any payment to any person other than the registered holder thereof with respect to any such shares.

(c) Transfer Agents. The Corporation may appoint, and from time to time discharge and change, a transfer agent for Preferred Stock. Upon any such appointment or discharge of a transfer agent, the Corporation will reasonably promptly send written notice thereof to each holder of record of Preferred Stock, as the case may be.

***FIFTH*:** The Corporation is to have perpetual existence.

***SIXTH*:** For the management of the business and for the conduct of the affairs of the Corporation, and in further definition and not in limitation of the powers of the Corporation and of its directors and of its stockholders or any class thereof, as the case may be, conferred by the State of Delaware, it is further provided that:

A. The management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed by, or in the manner provided in, the Bylaws of the Corporation. The phrase "whole Board" and the phrase "total number of directors" shall be deemed to have the same meaning, to wit, the total number of directors which the Corporation would have if there were no vacancies. No election of directors need be by written ballot.

B. In accordance with the provisions of Section 109 of the General Corporation Law of the State of Delaware, the power to adopt, amend, or repeal the Bylaws of the Corporation may be exercised by the Board of Directors.

C. The books of the Corporation may be kept at such place within or without the State of Delaware as the Bylaws of the Corporation may provide or as may be designated from time to time by the Board of Directors.

***SEVENTH*:** The Corporation shall, to the fullest extent permitted by applicable law, as the same may be amended and supplemented from time to time, indemnify and advance expenses to, (i) its directors and officers, and (ii) any person who at the request of the Corporation is or was serving as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, from and against any and all of the expenses, liabilities, or other matters referred to in or covered by said section as amended or supplemented (or any successor); provided, however, that except with respect to proceedings to enforce rights to indemnification, the Bylaws of the Corporation may provide that the Corporation shall indemnify any director, officer or such person in connection with a proceeding (or part thereof) initiated by such director, officer or such person only if such proceeding (or part thereof) was authorized by the Board of Directors. The Corporation, by action of its Board of Directors, may provide indemnification or advance expenses to employees and agents of the Corporation or other persons only on such terms and conditions and to the extent determined by the Board of Directors in its sole and absolute discretion. The indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in their 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 a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a

person. Any repeal or modification of the foregoing provisions of this Article Seventh shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification. The rights provided hereunder shall inure to the benefit of any indemnified person and such person's heirs, executors and administrators.

***EIGHTH*:** No director of this Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director except to the extent that exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as in effect at the time such liability or limitation thereof is determined. No amendment, modification or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment, modification or repeal. If the General Corporation Law of the State of Delaware is amended after approval by the stockholders of this Article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended.

***NINTH*:** Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this 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 this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this 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 (3/4) in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as 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 this Corporation, as the case may be, and also on this Corporation.

***TENTH*:** From time to time any of the provisions of this Restated Certificate may be amended, waived, altered or repealed, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted in the manner and at the time prescribed by said laws, and all rights at any time conferred upon the stockholders of the Corporation by this Restated Certificate are granted subject to the provisions of this Article.

IN WITNESS WHEREOF, the Corporation has caused this Fourth Amended and Restated Certificate of Incorporation to be signed by its duly authorized officer this 14th day of June, 2016.

MERSANA THERAPEUTICS, INC.

By: /s/ Anna Protopapas
Anna Protopapas, President and Chief Executive Officer

[Signature Page to Fourth Amended and Restated Certificate of Incorporation]

Exhibit 3.3

CERTIFICATE OF AMENDMENT

TO THE

FOURTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

MERSANA THERAPEUTICS, INC.

Mersana Therapeutics, Inc. (the "Corporation"), a corporation organized and existing under the laws of the State of Delaware, does hereby certify:

FIRST: The Fourth Amended and Restated Certificate of Incorporation of the Corporation (the "Certificate") was filed with the Secretary of State of Delaware on June 14, 2016.

SECOND: The Certificate is hereby amended as follows:

1. Article Fourth, Section A of the Certificate is hereby deleted in its entirety and replaced with the following:

"A. Authorization of Stock.

The total number of shares of all classes of stock which the Corporation shall have the authority to issue is 169,196,134 shares, which shall consist of two classes of stock as follows:

Common Stock, $.0001 par value per share ("***Common Stock***")	96,500,000
Preferred Stock, $.0001 par value per share ("***Preferred Stock***")	72,696,134
Preferred Stock shall consist of three series as follows:	
Series A-1 Convertible Preferred Stock, $.0001 par value per share ("***Series A-1 Preferred Stock***")	25,085,153
Series B-1 Convertible Preferred Stock, $.0001 par value per share ("***Series B-1 Preferred Stock***")	32,936,919
Series C-1 Convertible Preferred Stock, $.0001 par value per share ("***Series C-1 Preferred Stock***")	14,674,062

The rights, preferences, privileges and restrictions granted to and imposed upon the various classes and series of stock of the Corporation are as follows:"

THIRD: That the remaining provisions of the Certificate not affected by the aforementioned amendments shall remain in full force and not be affected by this Certificate of Amendment.

FOURTH: That the amendment of the Fourth Amended and Restated Certificate of Incorporation of the Corporation effected by this Certificate was duly authorized by the

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stockholders of the Corporation, after first having been declared advisable by the Board of Directors of the Corporation, all in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF**,** the undersigned has caused this Certificate of Amendment to the Fourth Amended and Restated Certificate of Incorporation be signed as of the 14th day of March, 2017.

MERSANA THERAPEUTICS, INC.

By: /s/ Anna Protopapas
Name: Anna Protopapas
Title: President and Chief Executive Officer

[Signature to Certificate of Amendment to Fourth Amended and Restated Certificate of Incorporation]

Exhibit 3.5

NANOPHARMA CORP.

BY-LAWS

ARTICLE I - STOCKHOLDERS

Section 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 ten o'clock a.m. or such other time as is determined by the Board of Directors, on such date (other than a Saturday, Sunday or legal holiday) as is determined by the Board of Directors, which date shall be within thirteen (13) months subsequent to the later of the date of incorporation or the last annual meeting of stockholders, and at such place as the Board of Directors shall each year fix.

Section 2. Special Meetings.

Subject to the rights of the holders of any class or series of preferred stock of the Corporation, special meetings of stockholders of the Corporation may be called only by the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors authorized. Special meetings of the stockholders may be held at such place within or without the State of Delaware as may be stated in such resolution.

Section 3. Notice of Meetings.

Written notice of the place, date, and time of all meetings of the stockholders 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 place, date or time, written notice need not be given of the adjourned meeting if the place, date and time thereof 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, written notice of the place, date, and time of the 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 is required, a majority of the shares of such class or classes 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, date, or time.

Section 5. Organization.

The Chairman of the Board of Directors or, in his or her absence, such person as the Board of Directors may have designated or, in his or her absence, the chief executive officer 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 the Board of Directors or his or her designee or, if neither the Chairman of the Board nor his or her designee is present at the meeting, then a person appointed by a majority of the Board of Directors, shall preside at, and act as chairman of, any meeting of the stockholders. The chairman of any meeting of stockholders shall determine the order of business and the procedures at the meeting, including such regulation of the manner of voting and the conduct of discussion as he or she deems to be appropriate.

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 filed in accordance with the procedure established for the meeting.

Each stockholder shall have one (1) vote for every share of stock entitled to vote which is registered in his or her name on the record date for the meeting, except as otherwise provided herein or required by law.

All voting, including on the election of directors but excepting where otherwise required by law, may be by a voice vote; provided, however, that upon demand therefor by a stockholder entitled to vote or his or her proxy, a vote by ballot shall be taken.

Except as otherwise provided in the terms of any class or series of preferred stock of the Corporation, 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.

Section 8. Action Without Meeting.

Any action required to be taken at any annual or special meeting of stockholders, or any action which may be taken at any annual or special meeting of such 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 (1) signed and dated 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 (2) delivered to the Corporation within sixty (60) days of the earliest dated consent by delivery to its registered office in the State of Delaware (in which case delivery shall be by hand or by certified or registered mail, return receipt requested), 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. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

Section 9. 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 any purpose germane to the meeting, during ordinary business hours for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held.

The stock list shall also be kept at the place of the meeting during the whole time thereof and shall be open to the examination of any such stockholder who is present. Such 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.

ARTICLE II - BOARD OF DIRECTORS

Section 1. Number, Election, Tenure and Qualification.

The number of directors which shall constitute the whole board shall be determined by resolution of the Board of Directors or by the stockholders at the annual meeting or at any special meeting of stockholders. The directors shall be elected at the annual meeting or at any special meeting of the stockholders, except as provided in Section 2 of this Article, and each director elected shall hold office until his or her successor is elected and qualified, unless sooner displaced. Directors need not be stockholders.

Section 2. Vacancies and Newly Created Directorships.

Subject to the rights of the holders of any class or series of preferred stock of the Corporation to elect directors, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause may be filled only by a majority vote of the directors then in office, though less than a quorum, or the sole remaining director. No decrease in the number of authorized directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 3. Resignation and Removal.

Any director may resign at any time upon written notice to the Corporation at its principal place of business or to the chief executive officer or secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. Any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, unless otherwise specified by law or the Certificate of Incorporation.

Section 4. 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 written notice of each regular meeting shall not be required.

Section 5. Special Meetings.

Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors, if any, the President, the Treasurer, the Secretary or one or more of the directors then in office 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 each director by whom it is not waived by mailing written notice not less than three (3) days before the meeting or orally, by telegraph, telex, cable or telecopy given 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 6. Quorum.

At any meeting of the Board of Directors, a majority of the total number of members of the 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 7. Action by Consent.

Unless otherwise restricted by the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

Section 8. 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 or committee by means of conference telephone or similar 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 9. Conduct of Business.

At any meeting of the Board of Directors, business shall be transacted in such order and manner as the Board 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.

Section 10. Powers.

The Board of Directors may, except as otherwise required by law, exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, including, without limiting the generality of the foregoing, the unqualified power:

(1) To declare dividends from time to time in accordance with law;

(2) To purchase or otherwise acquire any property, rights or privileges on such terms as it shall determine;

(3) To authorize the creation, making and issuance, in such form as it may determine, of written obligations of every kind, negotiable or non-negotiable, secured or unsecured, to borrow funds and guarantee obligations, and to do all things necessary in connection therewith;

(4) To remove any officer of the Corporation with or without cause, and from time to time to devolve the powers and duties of any officer upon any other person for the time being;

(5) To confer upon any officer of the Corporation the power to appoint, remove and suspend subordinate officers, employees and agents;

(6) To adopt from time to time such stock, option, stock purchase, bonus or other compensation plans for directors, officers, employees and agents of the Corporation and its subsidiaries as it may determine;

(7) To adopt from time to time such insurance, retirement, and other benefit plans for directors, officers, employees and agents of the Corporation and its subsidiaries as it may determine; and,

(8) To adopt from time to time regulations, not inconsistent with these By-Laws, for the management of the Corporation's business and affairs.

Section 11. Compensation of Directors.

Directors, as such, may receive, pursuant to a 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, by a vote of a majority of the Board of Directors, may from time to time designate committees of the Board, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board 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. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending the By-Laws of the Corporation. Any committee so designated may exercise the power and authority of the Board of Directors to declare a dividend, to authorize the issuance of stock or to adopt a certificate of ownership and merger pursuant to Section 253 of the Delaware General Corporation Law if the resolution which designates the committee or a supplemental resolution of the Board of Directors shall so provide. 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; 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, and the writing or writings are filed with the minutes of the proceedings of such committee.

ARTICLE IV - OFFICERS

Section 1. Enumeration.

The officers of the Corporation shall be the President, the Treasurer, the Secretary and such other officers as the Board of Directors or the Chairman of the Board may determine, including, but not limited to, the Chairman of the Board of Directors, one or more Vice Presidents, Assistant Treasurers and Assistant Secretaries.

Section 2. Election.

The Chairman of the Board, if any, the President, the Treasurer and the Secretary shall be elected annually by the Board of Directors at their first meeting following the annual meeting of the stockholders. The Board of Directors or the Chairman of the Board, if any, may, from time to time, elect or appoint such other officers as it or he or she may determine, including, but not limited to, one or more Vice Presidents, Assistant Treasurers and Assistant Secretaries.

Section 3. Qualification.

No officer need be a stockholder. The Chairman of the Board, if any, and any Vice Chairman appointed to act in the absence of the Chairman, if any, shall be elected by and from the Board of Directors, but no other officer need be a director. Two or more offices may be held by any one person. If required by vote of the Board of Directors, an officer shall give bond to the Corporation for the faithful performance of his or her duties, in such form and amount and with such sureties as the Board of Directors may determine. The premiums for such bonds shall be paid by the Corporation.

Section 4. Tenure and Removal.

Each officer elected or appointed by the Board of Directors shall hold office until the first meeting of the Board of Directors following the next annual meeting of the stockholders and until his or her successor is elected or appointed and qualified, or until he or she dies, resigns, is removed or becomes disqualified, unless a shorter term is specified in the vote electing or appointing said officer. Each officer appointed by the Chairman of the Board, if any, shall hold office until his or her successor is elected or appointed and qualified, or until he or she dies, resigns, is removed or becomes disqualified, unless a shorter term is specified by any agreement or other instrument appointing such officer. Any officer may resign by giving written notice of his or her resignation to the Chairman of the Board, if any, the President, or the Secretary, or to the Board of Directors at a meeting of the Board, and such resignation shall become effective at the time specified therein. Any officer elected or appointed by the Board of Directors may be removed from office with or without cause by vote of a majority of the directors. Any officer appointed by the Chairman of the Board, if any, may be removed with or without cause by the Chairman of the Board.

Section 5. Chairman of the Board.

The Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and stockholders at which he or she is present and shall have such authority and perform such duties as may be prescribed by these By-Laws or from time to time be determined by the Board of Directors. The Chairman of the Board shall also have the power and authority to determine the compensation and duties of all officers, employees and agents of the Corporation.

Section 6. President.

The President shall, subject to the control and direction of the Board of Directors, have and perform such powers and duties as may be prescribed by these By-Laws or from time to time be determined by the Board of Directors.

Section 7. Vice Presidents.

The Vice Presidents, if any, in the order of their election, or in such other order as the Board of Directors may determine, shall have and perform the powers and duties, of the President (or such of the powers and duties as the Board of Directors may determine) whenever the President is absent or unable to act. The Vice Presidents, if any, shall also have such other powers and duties as may from time to time be determined by the Board of Directors.

Section 8. Treasurer and Assistant Treasurers.

The Treasurer shall, subject to the control and direction of the Board of Directors, have and perform such powers and duties as may be prescribed in these By-Laws or be determined from time to time by the Board of Directors. All property of the Corporation in the custody of the Treasurer shall be subject at all times to the inspection and control of the Board of Directors. Unless otherwise voted by the Board of Directors, each Assistant Treasurer, if any, shall have and perform the powers and duties of the Treasurer whenever the Treasurer is absent or unable to act, and may at any time exercise such of the powers of the Treasurer, and such other powers and duties, as may from time to time be determined by the Board of Directors.

Section 9. Secretary and Assistant Secretaries.

The Board of Directors shall appoint a Secretary and, in his or her absence, an Assistant Secretary. The Secretary or, in his or her absence, any Assistant Secretary, shall attend all meetings of the directors and shall record all votes of the Board of Directors and minutes of the proceedings at such meetings. The Secretary or, in his or her absence, any Assistant Secretary, shall notify the directors of their meetings, and shall have and perform such other powers and duties as may from time to time be determined by the Board of Directors. If the Secretary or an Assistant Secretary is elected but is absent from any meeting of directors, a temporary secretary may be appointed by the directors at the meeting.

Section 10. Bond.

If required by the Board of Directors, any officer shall give the Corporation a bond in such sum and with such surety or sureties and upon such terms and conditions as shall be satisfactory to the Board of Directors, including without limitation a bond for the faithful performance of the duties of his office and

for the restoration to the Corporation of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his control and belonging to the Corporation.

Section 11. Action with Respect to Securities of Other Corporations.

Unless otherwise directed by the Board of Directors, the President, the Treasurer 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 Chairman of the Board of Directors, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, certifying the number of shares owned by him or her. Any or all of the signatures on the certificate may be by facsimile.

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 this Article 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 thereto.

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.

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.

Section 6. Interpretation.

The Board of Directors shall have the power to interpret all of the terms and provisions of these By-Laws, which interpretation shall be conclusive.

ARTICLE VI - NOTICES

Section 1. Notices.

Except as otherwise specifically provided herein or required by law, all notices required to be given to any stockholder, director, officer, employee or agent shall be in writing and may in every instance be effectively given by hand delivery to the recipient thereof, by depositing such notice in the mail, postage paid, or by sending such notice by courier service, prepaid telegram or mailgram, or telecopy, cable, or telex. Any such notice shall be addressed to such stockholder, director, officer, employee or agent at his or her last known address as the same appears on the books of the Corporation. The time when such notice is received, if hand delivered, or dispatched, if delivered through the mail or by courier, telegram, mailgram, telecopy, cable, or telex shall be the time of the giving of the notice.

Section 2. Waiver of Notice.

A written waiver of any notice, signed by a stockholder, director, officer, employee or agent, whether 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 stockholder, director, officer, employee or agent. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance of a director or stockholder at a meeting without protesting prior thereto or at its commencement the lack of notice shall also constitute a waiver of notice by such director or stockholder.

ARTICLE VII - INDEMNIFICATION

Section 1. Actions other than by or in the Right of the Corporation.

The Corporation shall 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) by reason of the fact that he or she 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, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement

actually and reasonably incurred by him or her in connection with such action, suit or 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 proceedings, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 2. Actions by or in the Right of the Corporation.

The Corporation shall 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 procure a judgment in its favor by reason of the fact that he or she 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, partnership, joint venture, trust, or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he 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 except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery of the State of Delaware or such other court shall deem proper.

Section 3. Success on the Merits.

To the extent that any person described in Section 1 or Section 2 of this Article has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in said Sections, 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.

Section 4. Specific Authorization.

Any indemnification under Section 1 or Section 2 of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of any person described in said Sections is proper in the circumstances because he or she has met the applicable standard of conduct set forth in said Sections. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders of the Corporation.

Section 5. Advance Payment.

Expenses incurred in defending any civil, criminal, administrative, or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of any person described in said Section to repay such amount if it shall ultimately be determined that he or she is not entitled to indemnification by the Corporation as authorized in this Article.

Section 6. Non-Exclusivity.

The indemnification and advancement of expenses provided by, or granted pursuant to, the other Sections of this Article shall not be deemed exclusive of any other rights to which those provided indemnification or advancement of expenses 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.

Section 7. Insurance.

The Board of Directors may authorize, by a vote of the majority of the full board, the Corporation to 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, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his, or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of this Article.

Section 8. Continuation of Indemnification and Advancement of Expenses.

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 9. Severability.

If any word, clause or provision of this Article or any award made hereunder shall for any reason be determined to be invalid, the provisions hereof shall not otherwise be affected thereby but shall remain in full force and effect.

Section 10. Intent of Article.

The intent of this Article is to provide for indemnification and advancement of expenses to the fullest extent permitted by Section 145 of the General Corporation Law of Delaware. To the extent that such Section or any successor section may be amended or supplemented from time to time, this Article shall be amended automatically and construed so as to permit indemnification and advancement of expenses to the fullest extent from time to time permitted by law.

ARTICLE VIII - CERTAIN TRANSACTIONS

Section 1. Transactions with Interested Parties.

No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction or solely because the votes of such director or officer are counted for such purpose, if:

(a) The material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or

(b) The material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(c) The contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders.

Section 2. Quorum.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

ARTICLE IX - 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.

Except as otherwise determined by the Board of Directors from time to time, the fiscal year of the Corporation shall end on the last day of December of each year.

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 X - AMENDMENTS

These By-Laws may be amended, added to, rescinded or repealed by the stockholders or by the Board of Directors, when such power is conferred upon the Board of Directors by the Certificate of Incorporation, at any meeting of the stockholders or of the Board of Directors, provided notice of the proposed change was given in the notice of the meeting or, in the case of a meeting of the Board of Directors, in a notice given not less than two (2) days prior to the meeting.

Exhibit 4.2

THIS WARRANT AND THE SHARES OF CAPITAL STOCK ISSUED UPON ANY EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED TO ANY PERSON, INCLUDING A PLEDGEE, UNLESS (1) EITHER (A) A REGISTRATION STATEMENT WITH RESPECT THERETO SHALL BE EFFECTIVE UNDER THE SECURITIES ACT, OR (B) THE COMPANY SHALL HAVE RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT IS AVAILABLE, AND (2) THERE SHALL HAVE BEEN COMPLIANCE WITH ALL APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

No. W-[•]

For the purchase
of [•] shares
of Common Stock

WARRANT TO PURCHASE

COMMON STOCK

OF

MERSANA THERAPEUTICS, INC.

(A DELAWARE CORPORATION)

SEPTEMBER 27, 2013

MERSANA THERAPEUTICS, INC., a Delaware corporation (the "Company"), for value received, hereby certifies that [•] (the "Holder") is entitled, subject to the terms set forth below, to purchase from the Company shares of Common Stock, par value $.0001 per share, of the Company (the "Common Stock"), at a purchase price per share equal to $.01 per share (the "Base Price"), as adjusted upon the occurrence of certain events as set forth in Section 3 of this Warrant, at any time or from time to time during the period beginning on the date hereof and ending at or before the earlier of (a) 5:00 p.m. Eastern Standard Time on the tenth (10^{th}) anniversary of the date hereof (the "Expiration Date") and (b) the termination of this Warrant as provided in Section 7 hereof. The shares of stock issuable upon exercise of this Warrant, and the purchase price per share, are hereinafter referred to as the "Warrant Stock" and the "Purchase Price," respectively.

This Warrant is one of a series of warrants (collectively, the "Warrants") dated the same date of issuance and issued in connection with the execution by the Company and the holders of such Warrants of that certain Series A-1 Convertible Preferred Stock Purchase Agreement dated July 27, 2012, as amended from time to time.

1. Exercise.

1.1. Manner of Exercise; Payment in Cash. This Warrant may be exercised by the Holder, in whole or in part, by surrendering this Warrant, with the purchase form appended hereto as Exhibit A duly executed by the Holder, at the principal office of the Company, or at such other place as the Company may designate, accompanied by payment in full of the Purchase Price payable in respect of the number of shares of Warrant Stock purchased upon such exercise. Payment of the Purchase Price shall be in cash or by certified or official bank check payable to the order of the Company.

1.2. Net Exercise. In lieu of exercising this Warrant by payment in cash pursuant to Section 1.1 above, the Holder may elect to receive Warrant Stock equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant, duly endorsed (unless endorsement is waived by the Company) to the principal office of the Company (or at such other office or agency of the Company as it may designate by notice in writing to the Holder at such Holder's last address appearing on the books of the Company) (a "Net Exercise"). In the event of such a Net Exercise, the Company shall issue to such Holder a number of shares of Warrant Stock computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where

X = The number of shares of Warrant Stock to be issued to the Holder.

Y = The number of shares of Warrant Stock purchasable under this Warrant.

A = The fair market value of one (1) share of Warrant Stock (at the date of such calculation).

B = The Base Price (as adjusted to the date of such calculation).

For purposes of this Section 1.2, the fair market value of a share of Warrant Stock shall mean the average of the closing bid and asked prices of the Warrant Stock quoted in the over-the-counter market in which shares of Warrant Stock are traded or the closing price quoted on any exchange on which the shares of Warrant Stock are listed, whichever is applicable, as published in The Wall Street Journal, for the ten (10) trading days prior to the date of determination of fair market value (or such shorter period of time during which such stock was traded over-the-counter or on such exchange). If the shares of Warrant Stock are not traded on the over-the-counter market or on an exchange, the fair market value shall be the price per share of Warrant Stock that the Company could obtain from a willing buyer for Warrant Stock sold by the

Company from authorized but unissued shares, as such prices shall be determined in reasonable good faith by the Board of Directors of the Company.

1.3. Effectiveness. Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant shall have been surrendered with the applicable purchase price to the Company as provided in Section 1.1 above or surrendered for exercise pursuant to

Section 1.2 above. At such time, the person or persons in whose name or names any certificates for Warrant Stock shall be issuable upon such exercise as provided in Section 1.4 below shall be deemed to have become the holder or holders of record of the Warrant Stock represented by such certificates.

1.4. Delivery of Certificates. As soon as practicable after the exercise of this Warrant in full or in part, and in any event within ten (10) business days thereafter, the Company at its sole expense will cause to be issued in the name of, and delivered to, the Holder, or, subject to the terms and conditions hereof, as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct:

1.4.1. A certificate or certificates for the number of full shares of Warrant Stock to which such Holder shall be entitled upon such exercise plus, in lieu of any fractional share to which such Holder would otherwise be entitled, cash in an amount determined pursuant to Section 1.5 hereof, and

1.4.2. In case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of shares of Warrant Stock (without giving effect to any adjustment therein) equal to the number of such shares called for on the face of this Warrant minus the number of such shares purchased by the Holder upon such exercise as provided in Section 1.1 or Section 1.2 above.

1.5. Fractional Shares. The Company shall not be required upon the exercise of this Warrant to issue any fractional shares, but shall make an adjustment therefor in cash on the basis of the fair market value of the Warrant Stock reasonably determined by the Board of Directors of the Company.

2. Rights and Restrictions of the Holder. The Warrant Stock shall be entitled to all rights, benefits and restrictions accorded to the shares of Common Stock set forth in the Company's Second Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") and the Amended and Restated Investor Rights Agreement dated as of July 27, 2012 (the "Investor Rights Agreement"), the Amended and Restated Voting Agreement dated as of July 27, 2012 (the "Voting Agreement"), and the Amended and Restated Right of First Refusal and Co-Sale Agreement dated as of July 27, 2012 (the "Right of First Refusal Agreement"), in each case as may be further amended, and the Holder hereby agrees to execute and deliver to the Company a counterpart signature page to such Investor Rights Agreement, Voting Agreement and Right of First Refusal Agreement concurrently with the exercise of this Warrant. All applicable provisions of the Certificate of Incorporation, the Investor Rights Agreement, the Voting Agreement and the Right of First Refusal Agreement are hereby incorporated herein by reference and made a part hereof as if set forth herein in their entirety.

3. Certain Adjustments. The Purchase Price and the number of shares of Warrant Stock deliverable upon exercise of the Warrant shall be subject to adjustment from time to time as follows:

3.1. Subdivisions, Combinations and Other Issuances. If the Company shall at any time after the issuance but prior to the expiration of this Warrant subdivides its Common Stock by split-up or otherwise, or combines such capital stock, or issues additional shares of such capital stock as a dividend with respect to any shares of such capital stock, the number of shares of Warrant Stock issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the Purchase Price payable per share, but the aggregate Purchase Price payable for the total number of shares of Warrant Stock purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 3.1 shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

3.2. Reclassification, Reorganization and Consolidation. In case of any reclassification, merger, capital reorganization or change in the capital stock of the Company (other than as a result of a subdivision, combination or stock dividend provided for in Section 3.1 above), then, as a condition of such reclassification, merger, reorganization or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities or property receivable in connection with such reclassification, merger, reorganization or change by a holder of the same number and type of securities as were purchasable as Warrant Stock by the Holder immediately prior to such reclassification, merger, reorganization or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities or property deliverable upon exercise hereof, and appropriate adjustments shall be made to the Purchase Price per Warrant Share payable hereunder, provided the aggregate Purchase Price shall remain the same.

3.3. Certificate of Adjustment. When any adjustment is required to be made in the Purchase Price, the Company shall promptly mail to the Holder a certificate setting forth the Purchase Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Delivery of such certificate shall be deemed to be a final and binding determination with respect to such adjustment unless challenged by the Holder within ten (10) days of receipt thereof. Such certificate shall also set forth the kind and amount of stock or other securities or property into which this Warrant shall be exercisable following the occurrence of any of the events specified in this Section 3.

4. Compliance with Securities Act.

4.1. Unregistered Securities. The Holder acknowledges that this Warrant and the Warrant Stock have not been registered under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any successor legislation (the "Securities Act"), and agrees not to sell, pledge, distribute, offer for sale, transfer or otherwise dispose of this Warrant or any Warrant Stock in the absence of (i) an effective registration statement under the Securities Act covering this Warrant or such Warrant Stock and registration or qualification of this Warrant or such Warrant Stock under any applicable "blue sky" or state securities law then in effect, or (ii) an opinion of counsel, satisfactory to the Company, that such registration and qualification are not required. The Company may delay issuance of the Warrant Stock until completion of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including without limitation state securities or "blue sky" laws).

4.2. Investment Letter. Without limiting the generality of Section 4.1, unless the offer and sale of any shares of Warrant Stock shall have been effectively registered under the Securities Act, the Company shall be under no obligation to issue the Warrant Stock unless and until the Holder shall have executed an investment letter in form and substance satisfactory to the Company, including a warranty at the time of such exercise that the Holder is acquiring such shares for its own account, for investment and not with a view to, or for sale in connection with, the distribution of any such shares.

4.3. Legend. Certificates delivered to the Holder pursuant to Section 1.3 shall bear the following legend or a legend in substantially similar form:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN TAKEN FOR INVESTMENT AND THEY MAY NOT BE SOLD OR OTHERWISE TRANSFERRED BY ANY PERSON, INCLUDING A PLEDGEE, IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SHARES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY, THAT AN EXEMPTION FROM REGISTRATION IS THEN AVAILABLE."

5. Reservation of Stock. The Company agrees that, prior to the expiration of this Warrant, the Company will at all times have authorized and in reserve, and will keep available, solely for issuance or delivery upon the exercise of this Warrant, the shares of the Common Stock and other securities and properties as from time to time shall be receivable upon the exercise of this Warrant, free and clear of all restrictions on sale or transfer and free and clear of all preemptive rights and rights of first refusal.

6. Replacement of Warrants. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement (with surety if reasonably required) in an amount reasonably satisfactory to the Company, or (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will issue,

in lieu thereof, a new Warrant of like tenor.

7. Termination Upon Certain Events. If there shall be a merger or consolidation of the Company with or into another corporation (other than a merger or reorganization involving only a change in the state of incorporation of the Company or the acquisition by the Company of other businesses where the Company survives as a going concern), or the sale of all or substantially all of the Company's capital stock or assets to any other person, or the liquidation or dissolution of the Company, then as a part of such transaction, at the Company's option, either:

7.1. (1) as a part of such transaction in which the consideration consists entirely of cash and/or equity securities listed for trading on a U.S. national securities exchange and which may be freely resold pursuant to a resale registration statement or under Rule 114 of the Securities Act without any restriction or limitation (including without limitation volume and manner of sale restrictions) ("Marketable Securities"), this Warrant shall automatically be exercised immediately prior to and contingent on the closing of such transaction without any action on the part of the Holder; or (2) as part of such transaction in which the consideration does not consist entirely of cash and/or Marketable Securities, provision shall be made so that the Holder shall thereafter be entitled to receive the number of shares of stock or other securities or property of the Company, or of the successor corporation resulting from the merger, consolidation or sale, to which the Holder would have been entitled if the Holder had exercised this Warrant immediately prior thereto (and, in such case, appropriate adjustment shall be made in the application of the provisions of this Section 7.1 to the end that the provisions of Section 3 shall be applicable after that event in as nearly equivalent a manner as may be practicable); or

7.2. this Warrant shall terminate on the effective date of such merger, consolidation or sale (the "Termination Date") and become null and void, provided, that if this Warrant shall not have otherwise terminated or expired, (1) the Company shall have given the Holder written notice of such Termination Date at least five business days prior to the occurrence thereof and (2) the Holder shall have the right until 5:00 p.m., Eastern Standard Time, on the day immediately prior to the Termination Date to exercise its rights hereunder to the extent not previously exercised.

8. Transferability. Subject to compliance with applicable federal and state securities laws, this Warrant and all rights hereunder may be assigned, in whole or in part, by the Holder to any of such Holder's Affiliates without the Company's prior written consent. Notwithstanding the foregoing, without the prior written consent of the Company, this Warrant shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) to any person or entity that is not an Affiliate of Holder and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of this Warrant or of any rights granted hereunder contrary to the provisions of this Section 8, or the levy of any attachment or similar process upon this Warrant or such rights, shall be null and void. As

used in this Section 8, an "Affiliate" means, with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by or under common control with such person.

9. No Rights as Stockholder. Until the exercise of this Warrant, the Holder shall not have or exercise any rights by virtue hereof as a stockholder of the Company.

10. Notices. All notices, requests and other communications hereunder shall be in writing, shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission, (iii) sent by overnight courier, or (iv) sent by registered mail, postage prepaid, return receipt requested. In the case of notices from the Company to the Holder, they shall be sent to the address furnished to the Company in writing by the last Holder who shall have furnished an address to the Company in writing. All notices from the Holder to the Company shall be delivered to the Company at Mersana Therapeutics, Inc., 840 Memorial Drive, Cambridge, Massachusetts, 02139, Attn: Chief Executive Officer, or such other address as the Company shall so notify the Holder. All notices, requests and other communications hereunder shall be deemed to have been given (i) by hand, at the time of the delivery thereof to the receiving party at the address of such party described above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notices is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

11. Amendment, Modification and Waiver. The Warrants may be amended or modified, and any provision hereof and thereof may be waived, with the written consent of the Company and holders of at least fifty percent (50%) of the aggregate number of shares of Warrant Stock issuable upon exercise of the Warrants; provided, that the Warrants may not be amended or modified and no provision hereof or thereof may be waived if such amendment, modification or waiver would adversely and prejudicially affect the rights of any holder of a Warrant vis-à-vis all other holders of the Warrants without the consent of such holder. Any waiver or consent hereunder shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

12. Headings. The headings in this Warrant are for convenience of reference only and shall in no way modify or affect the meaning or construction of any of the terms or provisions of this Warrant.

13. Governing Law. This Warrant shall be governed in all respects by the internal laws of the State of Delaware, without regard to principles of conflicts of law.

(The reminder of this page has been intentionally left blank. The signature page follows.)

MERSANA THERAPEUTICS, INC.

By: _____

Name: Nicholas G. Bacopoulos

Title: President and Chief Executive Officer

Signature Page to Warrant

EXHIBIT A

PURCHASE FORM

To: MERSANA THERAPEUTICS, INC.

The undersigned hereby irrevocably elects to purchase, pursuant to the provisions set forth in the attached Warrant (No. W-), as follows:

shares of the Common Stock, par value $.0001 per share (the "Common Stock") of MERSANA THERAPEUTICS, INC., covered by such Warrant and herewith makes payment of $, representing the full purchase price for such shares at the price per share provided for in such Warrant.

Net Exercise of the attached Warrant.

The Common Stock for which the Warrant may be exercised shall be known herein as the "Warrant Stock."

The undersigned is aware that the Warrant Stock has not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act") or any state securities laws. The undersigned understands that reliance by the Company on exemptions under the Securities Act is predicated in part upon the truth and accuracy of the statements of the undersigned in this Purchase Form.

The undersigned represents and warrants that (1) it has been furnished with all information which it deems necessary to evaluate the merits and risks of the purchase of the Warrant Stock, (2) it has had the opportunity to ask questions concerning the Warrant Stock and the Company and all questions posed have been answered to its satisfaction, (3) it has been given the opportunity to obtain any additional information it deems necessary to verify the accuracy of any information obtained concerning the Warrant Stock and the Company and (4) it has such knowledge and experience in financial and business matters that it is able to evaluate the merits and risks of purchasing the Warrant Stock and to make an informed investment decision relating thereto.

The undersigned hereby represents and warrant that it is purchasing the Warrant Stock for its own account for investment and not with a view to the sale or distribution of all or any part of the Warrant Stock.

The undersigned understands that because the Warrant Stock has not been registered under the Securities Act, it must continue to bear the economic risk of the investment for an indefinite period of time and the Warrant Stock cannot be sold unless it is subsequently registered under applicable federal and state securities laws or an exemption from such registration is available.

The undersigned agrees that it will in no event sell or distribute or otherwise dispose of all or any part of the Warrant Stock unless (1) there is an effective registration statement under

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the Securities Act and applicable state securities laws covering any such transaction involving the Warrant Stock, or (2) the Company receives an opinion satisfactory to the Company of the undersigned's legal counsel stating that such transaction is exempt from registration. The undersigned consents to the placing of a legend on its certificate for the Warrant Stock stating that the Warrant Stock has not been registered and setting forth the restriction on transfer contemplated hereby and to the placing of a stop transfer order on the books of the Company and with any transfer agents against the Warrant Stock until the Warrant Stock may be legally resold or distributed without restriction.

The undersigned has considered the federal and state income tax implications of the exercise of the Warrant and the purchase and subsequent sale of the Warrant Stock.

_____

Dated: _____

MERSANA THERAPEUTICS, INC.

THIRD AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

This Third Amended and Restated Investor Rights Agreement (this "**Agreement**") is made as of June 15, 2016, by and among Mersana Therapeutics, Inc. (f/k/a Nanopharma Corp.), a Delaware corporation (the "**Company**") and the persons and entities listed on Exhibit A hereto (each, an "**Investor**" and collectively, the "**Investors**"), the persons and entities listed on Exhibit B hereto (each, a "**Common Holder**" and collectively, the "**Common Holders**"). The Investors and the Common Holders are collectively referred to as the "**Stockholders**" and individually as a "**Stockholder**." Unless otherwise defined herein, capitalized terms used in this Agreement have the meanings ascribed to them in Section 1.

RECITALS

WHEREAS: certain of the Investors (the "**Existing Investors**") hold shares of the Company's Series A-1 Convertible Preferred Stock, $.0001 par value per share (the "**Series A-1 Preferred Stock**"), and/or shares of the Company's Series B-1 Convertible Preferred Stock, $.0001 par value per share (the "**Series B-1 Preferred Stock**"), and the Existing Investors possess registration rights, information rights, rights of first offer, and other rights pursuant to the Second Amended and Restated Investor Rights Agreement dated as of February 20, 2015 between the Company and such Investors (the "**Prior Agreement**");

WHEREAS: certain of the Investors are parties to the Series C-1 Convertible Preferred Stock Purchase Agreement (the "**Purchase Agreement**"), dated as of June 14, 2016, by and among the Company and such Investors, and it is a condition to the closing of the sale of the Series C-1 Convertible Preferred Stock, $.0001 par value per share (the "**Series C-1 Preferred Stock**"), to such Investors that the parties hereto execute and deliver this Agreement;

WHEREAS: the Company and the Existing Investors desire to amend and restate the Prior Agreement on the terms set forth herein in order to grant to the Investors the rights set forth herein and to amend the rights of the Existing Investors as set forth herein; and

WHEREAS: the undersigned include the holders of at least fifty-five percent (55.00%) of the shares of Preferred Stock and shares of Common Stock issued upon conversion of the Preferred Stock (excluding any of such shares that have been sold to the public or pursuant to Rule 144), as necessary to amend the Prior Agreement in accordance with Section 7.1 thereof;

NOW, THEREFORE: In consideration of the mutual promises and covenants set forth herein, and other consideration, the receipt of and adequacy of which is hereby acknowledged, the parties hereto further agree as follows:

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1. Definitions.

1.1 Certain Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

(a) "**Affiliate**" (and its correlative, "**Affiliated entities**") means, with respect to any legal person, any other person which, directly or indirectly, controls, is controlled by or is under common control with such person, including, without limitation, any general partner, manager, managing member, limited partner, member, employee, officer or director of such person, any venture capital fund or other investment fund or registered investment company now or hereafter existing that is controlled by one or more general partners, managers or managing members or investment advisers of, or shares the same management company or investment adviser with, such person, or any parent or subsidiary of, or under a common parent with, such person; provided, that, with respect to Fidelity, an "Affiliate" shall also mean FMR LLC and FMR LLC's affiliates; FIL Limited and FIL Limited's affiliates; InfoTech Fund I LLC, Impresa Capital LLC, Impresa Fund I LLC, Impresa Fund II LLC, Impresa Fund III Limited Partnership, Northern Neck Investors LLC, Impresa Management LLC, Fremon Investors LLC, Horizon Natural Resources Investors LLC, Horizon Real Estate Investors LLC, ProBuild Investors LLC, Seaport Investors LLC, Star Horizon Management LLC and any other entity that is directly or indirectly owned or controlled by members of FMR LLC; Amista Ventures III Limited Partnership, Agilus Ventures IV Limited Partnership, Agilus Ventures IV-E Limited Partnership, Alimont Ventures V Limited Partnership, Fidelity Ventures Limited, Amista Ventures Principals III Limited Partnership, Agilus Ventures Principals IV Limited Partnership, Agilus Ventures Principals IV-E Limited Partnership and Alimont Ventures Principals V Limited Partnership; F-Prime Capital Partners Healthcare Fund LP, F-Prime Capital Partners HC Principals Fund LP, F-Prime Capital Partners Healthcare Fund II LP, F-Prime Capital Partners Healthcare Fund III LP, F-Prime Capital Partners Healthcare Fund IV LP; and F-Prime Inc. FMR LLC's affiliates and FIL Limited's affiliates shall include any person directly or indirectly controlling, controlled by, or under direct or indirect common control with FMR LLC or FIL Limited, as the case may be, including (A) any person who is an officer, director, or direct or indirect beneficial holder of the then outstanding voting securities of FMR LLC or FIL Limited, as the case may be, (B) any person of which FMR LLC or FIL Limited, as the case may be, directly or indirectly, either beneficially own(s) at least five percent (5%) of the then outstanding equity securities or constitute(s) at least a five percent (5%) equity participant, and (C) all investment vehicles or other entities for which FMR LLC or FIL Limited, as the case may be, or any of its affiliates (as defined in clauses (A) and (B) above) serve as a manager, member, general partner and/or investment adviser or in a similar capacity, and all investment vehicles or other entities under the direct or indirect ownership, control or management of FMR LLC or FIL Limited or any of their respective affiliates (as defined in clauses (A) and (B) above).

(b) "**Affiliated Fund**" shall have the meaning set forth in Section 2.8(a)(y)(iii).

(c) "**Agreement**" shall have the meaning set forth in the preamble.

(d) "**Board of Directors**" means the board of directors of the Company.

(e) "**Certificate of Incorporation**" means the Company's Fourth Amended and Restated Certificate of Incorporation dated June 14, 2016 (as such may be further amended after the date hereof).

(f) "**Charity**" means any organization exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code that receives any Registrable Securities from Fidelity.

(g) **"Code"** means the Internal Revenue Code of 1986, as amended.

(h) "**Commission**" shall mean the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act (as defined herein).

(i) "**Common Holder**" shall have the meaning set forth in the preamble.

(j) "**Common Stock**" means the Company's Common Stock, $.0001 par value per share.

(k) "**Company**" shall have the meaning set forth in the preamble.

(l) **"Control"** (including its correlative meanings, **"controlled by," "controlling"** and **"under common control with"**) shall mean possesses directly or indirectly through one or more intermediaries, of power to direct or cause the direction of management and policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

(m) "**Deemed Liquidation Event**" shall have the meaning ascribed to it in the Certificate of Incorporation.

(n) "**Election Period**" shall have the meaning set forth in Section 4.1(c).

(o) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(p) "**FCPA**" shall have the meaning set forth in Section 3.4.

(q) "**Fidelity**" means F-Prime Capital Partners Healthcare Fund III LP (f/k/a Beacon Bioventures Fund III Limited Partnership) and its successors.

(r) "**GAAP**" shall have the meaning set forth in Section 3.1(a).

(s) "**Holder**" shall mean (i) any Investor that holds Registrable Securities (as defined herein), (ii) any holder of Registrable Securities to whom the registration rights conferred by this Agreement have been duly and validly transferred in accordance with Section 2.12 of this Agreement.

(t) "**Indemnified Party**" shall have the meaning set forth in Section 2.6(c) hereof.

(u) "**Indemnifying Party**" shall have the meaning set forth in Section 2.6(c) hereof.

(v) "**Initial Public Offering**" shall mean the closing of the Company's first firm commitment underwritten public offering of the Company's Common Stock registered under the Securities Act.

(w) **"Initiating Holders**" shall mean any Holder or Holders who in the aggregate hold not less than a majority of the outstanding Registrable Securities, provided that for purposes of Section 2.3 the term "Initiating Holders" shall mean any Holder or Holders requesting registration under such Section.

(x) "**Investors**" shall mean the persons and entities listed on Exhibit A hereto.

(y) "**Key Employee**" means any executive-level employee (including division director and vice president-level positions) as well as any employee who, either alone or in concert with others, develops, invents, programs, or designs any Company Intellectual Property (as defined in the Purchase Agreement) and any individual designated as a "Key Employee" by a majority of the Board of Directors, including a majority of the directors appointed by the holders of Series A-1 Preferred Stock in accordance with the Certificate of Incorporation.

(z) "**Major Investor**" shall mean (a) any Preferred Holder holding, together with its Affiliates and Affiliated Funds, at least 1,000,000 shares (as adjusted for stock splits, stock dividends, reverse stock splits and the like) of Preferred Stock, or (b) any Wellington Investor, so long as such Wellington Investor holds any shares of Preferred Stock.

(aa) "**New Securities**" shall have the meaning set forth in Section 4.1(a) hereof.

(bb) "**Preferred Holders**" shall mean any holder of Preferred Stock.

(cc) "**Preferred Stock**" shall mean the Series A-1 Preferred Stock, the Series B-1 Preferred Stock and the Series C-1 Preferred Stock.

(dd) "**Prior Agreement**" shall have the meaning set forth in the recitals.

(ee) "**Purchase Agreement**" shall have the meaning set forth in the recitals.

(ff) "**Registrable Securities**" shall mean (i) shares of Common Stock that were acquired upon the conversion of the Company's Series A Convertible Preferred Stock, $.0001 par value per share, and Series B Convertible Preferred Stock, $.0001 par value per share, upon the filing of and pursuant to the Company's Second Amended and Restated Certificate of Incorporation dated July 27, 2012; (ii) shares of Common Stock that were acquired upon the conversion of promissory notes pursuant to that certain Note Purchase Agreement dated as of August 5, 2008, as amended, between the Company and certain lenders party thereto and that certain Note Purchase Agreement dated as of February 13, 2009, as amended, between the Company and certain lenders party thereto; (iii) shares of Common Stock issuable or issued pursuant to the conversion of the Preferred Stock; (iv) shares of Common Stock hereafter acquired or issued pursuant to the exercise or conversion of any securities hereafter acquired by the Investors pursuant to their right of first refusal under the Third Amended and Restated Right of First Refusal and Co-Sale Agreement more fully described in Section 2.8(a)(iii) herein and/or pursuant to the right of first refusal set forth in Section 4 and/or otherwise; and (v) any Common Stock issued as a dividend or other distribution with respect to or in exchange for or in replacement of the shares referenced in (i) through (v) above; provided, however, that Registrable Securities shall not include any shares of Common Stock described above which have previously been registered or which have been sold to the public either pursuant to a registration statement or Rule 144, or which have been sold in a private transaction in which the transferor's rights under this Agreement are not validly assigned in accordance with this Agreement.

(gg) The terms "**register**," "**registered**" and "**registration**" shall refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act and applicable rules and regulations thereunder, and the declaration or ordering of the effectiveness of such registration statement.

(hh) "**Registration Expenses**" shall mean all expenses incurred by the Company in effecting any registration pursuant to this Agreement, including, without limitation, all registration, qualification, and filing fees, printing expenses, accounting fees, escrow fees, fees and disbursements of counsel for the Company, fees and disbursements of one special counsel for the Holders (selected by a majority-in-interest of the Holders), blue sky fees and expenses, and expenses of any regular or special audits incident to or required by any such registration, but shall not include Selling Expenses, fees and disbursements of other counsel for the Holders and the compensation of regular employees of the Company, which shall be paid in any event by the Company.

(ii) "**Restricted Securities**" shall mean any Registrable Securities required to bear the first legend set forth in Section 2.8(b) hereof.

(jj) "**Rule 144**" shall mean Rule 144 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(kk) "**Rule 145**" shall mean Rule 145 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(ll) "**Rule 415**" shall mean Rule 415 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(mm) "**Rule 501**" shall mean Rule 501 of Regulation D promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(nn) "**Rule 506**" shall mean Rule 506 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(oo) "**Sale of the Company**" shall have the meaning set forth in Section 5.1(a).

(pp) "**Securities Act**" shall mean the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(qq) "**Selling Expenses**" shall mean all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities and fees and disbursements of counsel for any Holder (other than the fees and disbursements of one special counsel to the Holders not to exceed $100,000 included in Registration Expenses).

(rr) "**Series A-1 Preferred Conversion Stock**" shall mean the shares of Common Stock issued upon conversion of the Series A-1 Preferred Stock.

(ss) "**Series A-1 Preferred Stock**" shall have the meaning set forth in the recitals.

(tt) "**Series B-1 Preferred Conversion Stock**" shall mean shares of Common Stock issued upon conversion of the Series B-1 Preferred Stock.

(uu) "**Series B-1 Preferred Stock**" shall have the meaning set forth in the recitals.

(vv) "**Series C-1 Preferred Conversion Stock**" shall mean shares of Common Stock issued upon conversion of the Series C-1 Preferred Stock.

(ww) "**Series C-1 Preferred Stock**" shall have the meaning set forth in the recitals.

(xx) "**Shares**" shall mean (i) the Company's Preferred Stock, (ii) the Company's Common Stock and (iii) any securities issued with respect to the foregoing upon any stock split, stock dividend, recapitalization, or similar event or upon any conversion.

(yy) "**Stockholder**" shall have the meaning set forth in the preamble.

(zz) "**Wellington**" shall mean Wellington Management Company LLP and any successor or affiliated registered investment adviser to the Wellington Investors.

(aaa) "**Wellington Investor**" shall mean any Investor advised or subadvised by Wellington or one of its Affiliates as of the date hereof.

2. Registration Rights; Restrictions on Transfer.

2.1 Demand Registration.

(a) Request for Registration. Subject to the conditions set forth in this Section 2.1, if the Company shall receive from Initiating Holders a written request signed by such Initiating Holders that the Company effect any registration of the Registrable Securities of the Company at an aggregate offering price to the public (net of underwriting discounts and commissions) of not less than Ten Million Dollars ($10,000,000) (such request shall state the number of shares of Registrable Securities requested to be disposed of by such Initiating Holders), the Company will:

(i) promptly give written notice of the proposed registration to all other Holders; and

(ii) as soon as practicable, file and use its commercially reasonable efforts to effect such registration (including, without limitation, filing post-effective amendments, appropriate qualifications under applicable blue sky or other state securities laws, and appropriate compliance with the Securities Act) and to 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 such written notice from the Company is mailed or delivered; provided that unless a registration pursuant to this Section 2.1 is the Company's Initial Public Offering, the Company also shall use its reasonable best

efforts to file the registration statement within ninety (90) days of the receipt of the request from the Initiating Holders.

(b) Limitations on Requested Registration. The Company shall not be obligated to effect, or to take any action to effect, any such registration pursuant to this Section 2.1:

(i) Prior to the earlier of (A) the four (4) year anniversary of the date of this Agreement or (B) six (6) months following the effective date of the Company's Initial Public Offering;

(ii) 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;

(iii) After the Company has initiated two (2) such registrations pursuant to this Section 2.1 (counting for these purposes only (1) registrations where at least 75% of the Registrable Securities requested to be registered are in fact registered and which have been declared or ordered effective and pursuant to which securities have been sold, and (2) registrations that closed, or were withdrawn at the request of the Holders (other than as a result of a material adverse change to the Company)); or

(iv) 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 ninety (90) days (or in the case of the Company's Initial Public Offering, one hundred eighty (180) days) after the effective date of, a Company-initiated registration (other than a registration relating solely to employee benefit plans); provided that (A) the Company is actively employing in good faith best efforts to cause such registration statement to become effective and, (B) with respect to any request for registration pursuant to Section 2.1(a) received prior the date of filing of such Company-initiated registration, the Company shall have delivered written notice to the holders of Registrable Securities of its intent to file such registration within thirty (30) days after its receipt of such request.

(c) Deferral. If (i) in the good faith judgment of the Board of Directors, the filing of a registration statement covering the Registrable Securities would be materially detrimental to the Company and the Board of Directors concludes, as a result, that it is in the best interests of the Company 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 of Directors, it would be materially detrimental to the Company for such registration statement to be filed in the near future and that it is, therefore, in the best interests of the Company to defer the filing of such registration statement, then (in addition to the limitations set forth in Section 2.1(b)(iv) above) the Company shall have

the right to defer such filing for a period of not more than ninety (90) days 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 twice in any twelve (12)-month period.

(d) Underwriting. If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 2.1 and the Company shall include such information in the written notice referred to in subsection 2.1(a)(i). In such event, the right of any Holder to include all or any portion of its Registrable Securities in a registration pursuant to this Section 2.1 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities to the extent provided herein. If the Company shall request inclusion in any registration pursuant to this Section 2.1 of securities being sold for its own account, or if other persons shall request inclusion in any registration pursuant to this Section 2.1, the

Initiating Holders shall, on behalf of all Holders, offer to include such securities in the underwriting and such offer shall be conditioned upon the participation of the Company or such other persons in such underwriting and the inclusion of the Company's and such person's other securities of the Company and their acceptance of the further applicable provisions of this Section 2 (including Section 2.10). 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 representative of the underwriter or underwriters selected for such underwriting by the majority-in-interest of the Initiating Holders, which underwriters shall be reasonably acceptable to the Company.

Notwithstanding any other provision of this Section 2.1, if the underwriters advise the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, the number of Registrable Securities that may be so included shall be apportioned pro rata among the selling Holders based on the number of Registrable Securities held by all selling Holders or in such other proportions as shall mutually be agreed to by all such selling Holders. In no event shall Registrable Securities be excluded from such registration unless all other stockholders' securities and securities for the account of the Company have been first excluded.

If a person who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such person shall be excluded therefrom by written notice from the Company, the underwriter or the Initiating Holders. The securities so excluded shall also be withdrawn from registration. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall also be withdrawn from such registration. If shares are so withdrawn from the registration and if the number of shares to be included in such registration was previously reduced as a result of marketing factors pursuant to this Section 2.1(d), then the Company shall then offer to all Holders who have retained rights to include securities in the registration the right to include additional Registrable Securities in the registration in an aggregate amount equal to the number of shares so withdrawn, with such shares to be allocated among such Holders requesting additional inclusion, as set forth above.

2.2 Piggyback Registration.

(a) Piggyback Registration. If the Company shall determine to register any of its securities either for its own account or the account of a security holder or holders, other than a registration pursuant to Section 2.1 or 2.3, a registration relating solely to employee benefit plans, a registration relating to the offer and sale of debt securities, a registration relating to a corporate reorganization or other Rule 145 transaction, or a registration on any registration form that does not permit secondary sales, the Company will:

(i) promptly give written notice of the proposed registration to all Holders; and

(ii) use its commercially reasonable efforts to include in such registration (and any related qualification under blue sky laws or other compliance), except as set forth in Section 2.2(b) below, and in any underwriting involved therein, all of such Registrable Securities as are specified in a written request or requests made by any Holder or Holders received by the Company within twenty (20) days after such written notice from the Company is mailed or delivered. Such written request may specify all or a part of a Holder's Registrable Securities.

(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 Section 2.2(a)(i). In such event, the right of any Holder to registration pursuant to this Section 2.2 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company and the other holders of securities of the Company with registration rights to participate therein distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected by the Company.

Notwithstanding any other provision of this Section 2.2, if the underwriters advise the Company in writing that marketing factors require a limitation on the number of shares to be underwritten, the underwriters may (subject to the limitations set forth below) limit the number of Registrable Securities to be included in the registration and underwriting. In no event shall any Registrable Securities be excluded from such registration and underwriting unless all other stockholders' securities have been first excluded. In the event that the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such registration and underwriting, then the Registrable Securities that are included in such registration and underwriting shall be apportioned pro rata among the selling Holders based on the number of Registrable Securities held by all selling Holders or in such other proportions as shall mutually be agreed to by all such selling Holders. Notwithstanding the foregoing, in no event shall the amount of securities of the selling Holders included in the registration and underwriting be reduced below twenty-five percent (25%) of the total amount of securities requested to be included in such registration and underwriting, unless such registration is the

Company's Initial Public Offering, in which case the selling Holders may be excluded if the underwriters make the determination described above.

If a person who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such person shall also be excluded therefrom by written notice from the Company or the underwriter. The securities so excluded shall also be withdrawn from such registration. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall be withdrawn from such registration.

(c) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration.

2.3 Registration on Form S-3.

(a) Request for Form S-3 Registration. If the Company is then qualified for the use of Form S-3, in addition to the rights contained in the foregoing provisions of this Section 2 and subject to the conditions set forth in this Section 2.3, and shall receive from Initiating Holders a written request signed by such Initiating Holder(s) that the Company effect any registration on Form S-3 or any similar short form registration

statement with respect to all or part of the Registrable Securities (such request shall state the number of shares of Registrable Securities requested to be disposed of and the intended methods of disposition of such shares by such Holder or Holders), the Company will take all such actions with respect to such Registrable Securities as required by Section 2.1(a)(i) and (ii); provided that in the case of a registration pursuant to this Section 2.3, the Company also shall use its reasonable best efforts to file the registration statement within ninety (90) days of the receipt of the request from the Initiating Holders.

(b) Limitations on Form S-3 Registration. The Company shall not be obligated to effect, or take any action to effect, any such registration pursuant to this Section 2.3:

(i) In the circumstances described in either Sections 2.1(b)(ii) or 2.1(b)(iv);

(ii) If the Initiating Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) on Form S-3 at an aggregate price to the public (net of any underwriters' discounts and commissions) of less than Three Million Dollars ($3,000,000); or

(iii) If, in a given twelve (12)-month period, the Company has effected two (2) such registrations in such period.

(c) Deferral. The provisions of Section 2.1(c) shall apply to any registration pursuant to this Section 2.3.

(d) Underwriting. If the Initiating Holders requesting registration under this Section 2.3 intend to distribute the Registrable Securities covered by their request by means of an underwriting, the provisions of Sections 2.1(d) shall apply to such registration. Notwithstanding anything contained herein to the contrary, registrations effected pursuant to this Section 2.3 shall not be counted as requests for registration or registrations effected pursuant to Section 2.1.

2.4 Expenses of Registration. All Registration Expenses incurred in connection with registrations pursuant to Sections 2.1, 2.2 and 2.3 hereof shall be borne by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Sections 2.1 and 2.3 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses pro rata among each other based on the number of Registrable Securities requested to be so registered), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to a demand registration pursuant to Section 2.1; and provided further, however, that if at the time of such 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 and have withdrawn the request with reasonable promptness following disclosure by the Company of, or their learning of, such material adverse change, then the Holders shall not be required to pay any of such expenses and shall retain their rights pursuant to Section 2.1 or 2.3, as the case may be. All Selling Expenses shall be borne pro rata by the selling Holders based on the number of Registrable Securities requested to be so registered.

2.5 Registration Procedures. In the case of each registration 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 and as to the completion thereof. At its expense, the Company will use its commercially reasonable efforts to:

(a) Keep such registration effective for a period ending on the earlier of the date which is nine (9) months from the effective date of the registration statement or such time as the Holder or Holders have completed the distribution described in the registration statement relating thereto;

(b) Prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for the period set forth in subsection (a) above;

(c) Furnish such number of prospectuses, including any preliminary prospectuses, and other documents incident thereto, including any amendment of or supplement to the prospectus, as a Holder from time to time may reasonably request;

(d) Use its reasonable best efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdiction 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;

(e) Notify each seller 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 a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in light of the circumstances then existing, and following such notification promptly prepare and furnish to such Holder a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in light of the circumstances then existing;

(f) Provide a 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 the effective date of such registration;

(g) Cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(h) Otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission;

(i) In connection with any underwritten offering pursuant to a registration statement filed pursuant to Section 2.1 hereof, enter into an underwriting agreement in form reasonably necessary to effect the offer and sale of Common Stock, provided such underwriting agreement contains reasonable and customary provisions, and provided further, that each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement; and

(j) Use its reasonable best efforts to furnish, at the request of any Holder requesting registration of Registrable Securities pursuant to this Section 2, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to this Section 2, 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.

2.6 Indemnification.

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, each of its officers, directors and partners, legal counsel, investment advisers and accountants 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 within the meaning of Section 15 of the Securities Act any underwriter, against all expenses, claims, losses, damages, and liabilities (or actions, proceedings, or settlements in respect thereof) arising out of or based on: (i) any untrue statement (or alleged untrue statement) of a material fact contained or incorporated by reference in any prospectus, offering circular, or other document (including any related registration statement, notification, or the like) incident to any such registration, qualification, or compliance; (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; or (iii) any violation (or alleged violation) by the Company of the Securities Act, the Exchange Act, any state securities laws or any rule or regulation thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any offering covered by such registration, qualification, or compliance, and the Company will reimburse each such Holder, each of its officers, directors, partners, legal counsel, investment advisers and accountants 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 and defending or settling any such claim, loss, damage, liability, or action as they 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 action arises out of or is based on any untrue statement or omission based upon written information furnished to the Company by such Holder, any of such Holder's officers, directors, partners, legal counsel, investment advisers or accountants, any person controlling such Holder, such underwriter or any person who controls any such underwriter and stated to be specifically for use therein; and provided further, that the indemnity agreement contained in this Section 2.6(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld).

(b) To the extent permitted by law, 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, indemnify and hold harmless the Company, each of its directors, officers, partners, legal counsel, and accountants and 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, each other such Holder, and each of their officers, directors, and partners, and each person controlling such Holder, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on: (i) any untrue statement (or alleged untrue statement) of a material fact contained or incorporated by reference in any such registration statement, prospectus, offering circular, or other document, or (ii) any omission (or alleged omission) to state therein a material fact

required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Company and such Holders, directors, officers, partners, legal counsel, and accountants, 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 they 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 such Holder and stated to be specifically for use therein; provided, however, that the obligations of such Holder hereunder shall not apply to amounts paid in settlement of any such claims, losses, damages, or liabilities (or actions in respect thereof) if such settlement is effected without the consent of such Holder (which consent shall not be unreasonably withheld); and provided that in no event shall any indemnity under this Section 2.6 exceed the net proceeds from the offering received by such Holder.

(c) Each party entitled to indemnification under this Section 2.6 (the "***Indemnified Party***") shall give notice to the party required to provide indemnification (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 such claim or any litigation resulting therefrom; provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Indemnified Party (whose approval shall not be unreasonably withheld), and the Indemnified Party may participate in such defense at such party's expense; provided further, however, that an Indemnified Party (together with all other Indemnified Parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the Indemnifying Party, if representation of such Indemnified Party by the counsel retained by the Indemnifying Party would be inappropriate due to actual or potential differing interests between such Indemnified Party and any other party represented by such counsel in such proceeding; and provided further, that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 2.6, to the extent such failure is not prejudicial. 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 that 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 to such claim or litigation. Each Indemnified Party shall furnish such information regarding

itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with defense of such claim and litigation resulting therefrom.

(d) If the indemnification provided for in this Section 2.6 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, liability, claim, damage, or expense referred to herein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage, or expense 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; provided, however, that no contribution by any Holder, when combined with any amounts paid by such Holder pursuant to Section 2.6(b), shall exceed the net proceeds from the offering received by such Holder. 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.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

2.7 Information by Holder. Each Holder of Registrable Securities shall furnish to the Company such information regarding such Holder and the distribution proposed by such Holder as the Company may reasonably request in writing and as shall be reasonably required in connection with any registration, qualification, or compliance referred to in this Section 2.

2.8 Restrictions on Transfer.

(a) The holder of each certificate representing Registrable Securities by acceptance thereof agrees to comply in all respects with the provisions of this Section 2.8. Each Holder agrees not to make any sale, assignment, transfer, pledge or other disposition of all or any portion of the Restricted Securities, or any beneficial interest therein, unless and until (x) the transferee thereof has agreed in writing for the benefit of the Company to take and hold such Restricted Securities subject to, and to be bound by, the terms and conditions set forth in this Agreement, including, without limitation, this Section 2.8 and Section 2.10; provided that the Company will not require any transferee of shares pursuant to an effective registration statement or, following the Initial Public Offering, Rule 144, to be bound by the terms of this Agreement, and (y):

(i) There is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(ii) Such Holder shall have given prior written notice to the Company of such Holder's intention to make such disposition and shall have furnished the Company with a detailed description of the manner and circumstances of the proposed disposition, and, if requested by the Company, such Holder shall have furnished the Company, at such Holder's expense, with (A) an opinion of counsel, reasonably satisfactory to the Company, to the effect that such disposition will not require registration of such Restricted Securities

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, 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. It is agreed that the Company will not require opinions of counsel or "no action" letters for transactions made pursuant to Rule 144, except in unusual circumstances.

(iii) Notwithstanding the provisions of subsections (a)(i) and (a)(ii) above, no such registration statement or opinion of counsel or "no action" letter shall be necessary for: (A) a transfer by a Holder to any of its Affiliates (including an Affiliated fund managed by the same manager or managing member or general partner or management company or investment adviser or by an entity controlling, controlled by, or under common control with such manager or managing member or general partner or management company or investment adviser, each an "***Affiliated Fund***"); (B) a transfer by a Holder that is a partnership, limited liability company or corporation to a partner, limited partner, retired partner, member, retired member or stockholder of a Holder; (C) a transfer to a Charity; (D) a transfer by gift, will or intestate succession of any partner to his or her spouse or to the siblings, lineal descendants or ancestors of such partner or his or her spouse; or (E) the transfer by a Holder exercising its co-sale rights under the Third Amended and Restated Right of First Refusal and Co-Sale Agreement by and among the Company and the Investors and Common Holders named therein of even date herewith, as amended, if in each transfer under clauses (A), (B), (C) or (D) the prospective transferee agrees in all such instances in writing to be subject to the terms hereof to the same extent as if he or she were an original Holder hereunder.

(b) Each certificate representing Registrable Securities shall (unless otherwise permitted by the provisions of this Agreement) be stamped or otherwise imprinted with a legend substantially similar to the following (in addition to any legend required under applicable state securities laws):

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "***ACT***"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO REGISTRATION OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION

OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO (1) RESTRICTIONS ON TRANSFERABILITY AND RESALE, INCLUDING A LOCK-UP PERIOD OF UP TO 180 DAYS IN THE EVENT OF A PUBLIC OFFERING, AS SET FORTH IN AN INVESTOR RIGHTS AGREEMENT, AND (2) VOTING RESTRICTIONS AS SET FORTH IN A VOTING AGREEMENT AMONG THE COMPANY AND THE ORIGINAL HOLDERS OF THESE SHARES, COPIES OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

The Holders consent 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 2.8.

(c) The first legend referring to federal and state securities laws identified in Section 2.8(b) hereof stamped on a certificate evidencing the Restricted Securities and the stock transfer instructions and record notations with respect to such Restricted Securities shall be removed and the Company shall issue a certificate without such legend to the holder of such Restricted Securities if (i) such securities are registered under the Securities Act; or (ii) such holder provides the Company with an opinion of counsel reasonably acceptable to the Company to the effect that a public sale or transfer of such securities may be made without registration under the Securities Act; or (iii) such holder provides the Company with reasonable assurances, which may, at the option of the Company, include an opinion of counsel reasonably satisfactory to the Company, that such securities can be sold pursuant to Rule 144 under the Securities Act without volume or manner of sale restrictions.

2.9 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission that may permit the sale of the Restricted Securities to the public without registration, the Company agrees to use its commercially reasonable efforts to:

(a) Make and keep adequate current public information regarding the Company available as those terms are understood and defined in Rule 144 under the Securities Act, at all times from and after the effective date of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public;

(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 a Holder owns any Restricted Securities, furnish to the Holder forthwith upon written request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time from and after ninety (90) days following 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 so filed as a Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a Holder to sell any such securities without registration.

2.10 Market Stand-Off Agreement. If requested by the Company and an underwriter of Common Stock (or other securities) of the Company, each Stockholder hereby agrees that such Stockholder shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any Common Stock (or other securities) of the Company held by such Stockholder immediately before the effective date of the Company's Initial Public Offering (other than those included in the registration) during the one hundred eighty (180) day period (or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto) following the effective date of the Company's Initial Public Offering; provided that all of the directors and officers of the Company and one percent (1%) stockholders of the Company agree to the same terms; provided, further that if the Company or the underwriters waive or shorten the lock-up period for any of the Company's officers, directors or stockholders, then the lock-up for each Stockholder will be identically waived or shortened. The obligations described in this Section 2.10 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The provisions of this Section 2.10 shall not apply to shares of Common Stock acquired in the Initial Public Offering or in the open market following the Initial Public Offering. The Company may impose stop-transfer instructions and may stamp each such certificate with the second legend set forth in Section 2.8(b) hereof with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day period (or such other applicable period). Each Stockholder agrees to execute a market standoff agreement with said underwriters in customary form consistent with the provisions of this Section 2.10.

2.11 Delay of Registration. No Holder shall have any right to take any action to restrain, enjoin, or otherwise delay any registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.12 Transfer or Assignment of Registration Rights. The rights to cause the Company to register securities granted to a Holder by the Company under this Section 2 may be transferred or assigned by a Holder only to: (a) a transferee or assignee of not less than 721,350 shares of Registrable Securities (as presently constituted and subject to subsequent adjustments

for stock splits, stock dividends, reverse stock splits, and the like); (b) an Affiliate of a Holder (including an Affiliated Fund or entity) or a subsidiary, parent, partner, limited partner, retired partner, member, retired member or stockholder of a Holder; (c) Charities or (d) a Holder's family member or trust for the benefit of an individual Holder or Holder's family member; provided that (i) any such transfer or assignment of Registrable Securities is effected in accordance with the terms of Section 2.8 hereof, and applicable securities laws; (ii) the Company is given written notice prior to said transfer or assignment, stating the name and address of the transferee or assignee and identifying the securities with respect to which such registration rights are intended to be transferred or assigned;

(iii) the transferee or assignee of such rights assumes in writing the obligations of such Holder under this Agreement, including without limitation the obligations set forth in Section 2.10; (iv) any such transferee is not engaged in direct competition with the Company as reasonably determined by the Board of Directors; and (v) immediately after such transfer or assignment, the future disposition of the transferred or assigned Registrable Securities by such transferee or assignee shall be restricted under the Securities Act.

2.13 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders holding a majority of the Registrable Securities, enter into any agreement with any holder or prospective holder of any securities of the Company giving such holder or prospective holder any registration rights unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number or Registrable Securities of Holders that are included; provided, however, that this limitation shall not apply to any such holder or prospective holder that becomes a party to this Agreement pursuant to Section 5.2.

2.14 Termination of Registration Rights. The right of any Holder to request registration or inclusion in any registration pursuant to Section 2.1, 2.2 or 2.3 shall terminate on the earlier of (i) the date on which such Holder holds no Registrable Securities; (ii) five (5) years after the closing of the Company's Initial Public Offering; and (iii) such time as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares without limitation during a three (3)-month period without registration and without the requirement for the Company to be in compliance with the current public information required under Rule 144(c)(1).

3. Covenants of the Company. The Company hereby covenants and agrees, as follows:

3.1 Basic Financial Information. The Company shall deliver to each Major Investor the following financial information:

(a) as soon as practicable, but in any event within one hundred twenty (120) days after the end of each fiscal year of the Company, an income statement for such fiscal year, a balance sheet of the Company and statement of stockholder's equity as of the end of such year, and a statement of cash flows for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with generally accepted accounting principles ("***GAAP***"), setting forth in each case comparisons to the corresponding period in the preceding fiscal year, and audited and certified by an

independent public accounting firm of nationally recognized standing selected by the Company;

(b) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three quarters of each fiscal year of the Company, an unaudited profit or loss statement, a statement of cash flows for such fiscal quarter and an unaudited balance sheet as of the end of such fiscal quarter prepared in accordance with GAAP consistently applied with prior practice for earlier periods (with the exception of footnotes that may be required by GAAP) and fairly presenting the financial condition of the Company and its results of operation for the period specified, subject to year-end audit adjustment, setting forth in each case comparisons to the Company's annual budget and to the corresponding period in the preceding fiscal year;

(c) as soon as practicable, but in any event within thirty (30) days after the end of each month (other than a month that ends on or about the last day of a quarterly accounting period of the Company), for such month and for a period from the beginning of the fiscal year to the end of such month, an unaudited profit or loss statement, a statement of cash flows and an unaudited balance sheet prepared in accordance with GAAP consistently applied with prior practice for earlier periods (with the exception of footnotes that may be required by GAAP) and fairly presenting the financial condition of the Company and its results of operation for the period specified, setting forth in each case comparisons to the Company's annual budget and to the corresponding period in the preceding fiscal year, subject to year-end audit adjustment;

(d) as soon as practicable, but in any event within thirty (30) days prior to the commencement of each new fiscal year of the Company, an annual comprehensive operating budget forecasting the Company's revenues, expenses, and cash positions on a month-to-month basis for the upcoming fiscal year;

(e) promptly following the end of each quarter, an up-to-date capitalization table, certified by the Chief Financial Officer of the Company; and

(f) (i) within thirty (30) days after filings, copies of all material reports, statements and/or documents, filed by the Company with government authorities, including but not limited to, those filed with the Internal Revenue Service and the Commission; (ii) within thirty (30) days after receipt or filings, copies of pleadings of any material lawsuits filed by or against the Company; and (iii) within ten (10) days after receipt, a copy of any notifications received by the Company regarding any defaults on any indebtedness for borrowed money or leases to which the Company is a party.

3.2 Inspection Rights. The Company will afford to each Major Investor and any authorized representative of such Major Investor reasonable access during normal business hours to all of the Company's properties, books, and personnel records. Major Investors may exercise their rights under this Section 3.2 only for purposes reasonably related to their interests as a stockholder. The rights granted pursuant to this Section 3.2 may not be assigned or otherwise conveyed by any Major Investor or by any subsequent transferee of any such rights to any transferee reasonably deemed by the Company to be a competitor of the Company.

3.3 Confidentiality. Anything in this Agreement to the contrary notwithstanding, but in no way limiting the Company's obligations under Section 3.1, no Stockholder by reason of this Agreement shall have access to any trade secrets or classified information of the Company (unless covered by an enforceable confidentiality agreement, in form reasonably acceptable to the Company). The Company shall not be required to comply with any information rights or inspection rights of this Section 3 in respect of any Stockholder whom the Board of Directors reasonably determines to be a direct competitor of the Company; it being understood and agreed that neither Fidelity (or its Affiliates) nor any Wellington Investor shall be deemed to be a direct competitor of the Company. The Company shall not be obligated to disclose details of contracts with, or work performed for, specific customers and other business partners where

to do so would violate confidentiality obligations to those parties. Each Stockholder agrees that it will not use any information received by it pursuant to this Agreement or reproduce, disclose or disseminate such information to any other person (other than its employees, agents or partners having a need to know the contents of such information, and its attorneys), except in connection with the exercise of rights under this Agreement or as may be required by law (provided that the Stockholder promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such disclosure), unless such information (a) has been made available to the public generally by the Company or is otherwise known or becomes known to the public in general (other than as a result of a breach of this Section 3.3 by such Stockholder), (b) is or has been independently developed or conceived by the Stockholder without use of the Company's confidential information or (c) is or has been made known or disclosed to the Stockholder by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that a Stockholder may disclose any such information to any Affiliate, partner (and partners of such partner), member, stockholder, or wholly owned subsidiary of such Stockholder in the ordinary course of business, provided that such Stockholder informs such entity that such information is confidential and directs such entity to maintain the confidentiality of such information. Notwithstanding the foregoing, in the case of any Wellington Investor, such Wellington Investor may identify the Company and the value of such Wellington Investor's security holdings in the Company in accordance with applicable investment reporting and disclosure regulations or internal policies without prior notice to or consent from the Company.

3.4 FCPA Compliance. The Company covenants that it shall not, and shall not permit any of its subsidiaries and Affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to, promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, any third party, including any Non-U.S. Official (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended ("**FCPA**")) in violation of the FCPA or any other applicable anti-bribery or anti-corruption law. The Company shall, and shall cause each of its subsidiaries and Affiliates to, cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or Affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the FCPA or any other applicable anti-bribery or anti-corruption law. The Company shall, and shall cause each of its subsidiaries and Affiliates to, maintain systems or internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA or any other applicable anti-bribery or anti-corruption law. The Company shall, and shall cause any direct or indirect subsidiary or entity controlled by it,

whether now in existence or formed in the future, to comply with the FCPA and any and all other applicable anti-bribery and anti-corruption laws.

3.5 Termination of Covenants. The covenants set forth in this Section 3 shall terminate and be of no further force or effect upon the earliest of (i) the closing of the Company's Initial Public Offering, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Securities Exchange Act of 1934, as amended, or (iii) upon a Deemed Liquidation Event.

4. Right of First Refusal.

4.1 Right of First Refusal to Preferred Holders. The Company hereby grants to each Major Investor the right of first refusal to purchase its pro rata share of New Securities (as defined in Section 4.1(a)), which the Company may, from time to time, propose to sell and issue after the date of this Agreement. A Major Investor's pro rata share, for purposes of this right of first refusal, is equal to the ratio of (A) the number of shares of Preferred Stock owned by such Major Investor on the date hereof to (B) the total number of shares of Preferred Stock outstanding on the date hereof. For purposes of this Section 4.1, a Major Investor includes any general partner, managing member and Affiliates (including Affiliated Funds) of a Major Investor. A Major Investor who chooses to exercise the right of first refusal may designate as purchasers under such right itself and/or its partners or Affiliates (including Affiliated Funds), in such proportions as it deems appropriate.

(a) "**New Securities**" shall mean any capital stock (including Common Stock and/or Preferred Stock) of the Company whether now authorized or not, and rights, convertible securities, options or warrants to purchase such capital stock, and securities of any type whatsoever that are, or may become, exercisable or convertible into capital stock; provided that the term "**New Securities**" does not include:

(i) Series C-1 Preferred Stock issued pursuant to the Purchase Agreement;

(ii) Series B-1 Preferred Stock issued pursuant to that certain Series B-1 Convertible Preferred Stock Purchase Agreement dated February 20, 2015;

(iii) Series A-1 Preferred Stock issued pursuant to that certain Series A-1 Convertible Preferred Stock Purchase Agreement dated July 27, 2012, as amended;

(iv) the Series A-1 Preferred Conversion Stock, the Series B-1 Preferred Conversion Stock and the Series C-1 Preferred Conversion Stock;

(v) securities issued pursuant to that certain Amendment to Series B Preferred Stock Purchase Warrants dated July 27, 2012;

(vi) securities issued or issuable to employees, officers or directors, of, or consultants or advisors to the Company or any subsidiary pursuant to stock grants, option plans or similar arrangements approved by the Board of Directors, not to exceed 15,711,906 shares of Common Stock (excluding shares repurchased at cost by the Company in connection with the termination of service) or such higher number as may be approved by a majority of the Board of Directors, including a majority of the directors appointed by the holders of Series A-1 Preferred Stock in accordance with the Certificate of Incorporation;

(vii) securities issued upon the conversion or exercise of any outstanding convertible or exercisable securities as of this date of this Agreement;

(viii) securities issued or issuable as a dividend or distribution on Preferred Stock of the Company or pursuant to any event for which adjustment is made pursuant to Sections 4(e), (f) or (g) of the Certificate of Incorporation;

(ix) securities offered pursuant to a Qualified Public Offering (as defined in the Certificate of Incorporation);

(x) securities issued or issuable pursuant to the bona fide acquisition of another entity by the Company by merger, purchase of substantially all of the assets or other reorganization, or to a joint venture agreement, which transaction is approved by a majority vote of the Board of Directors;

(xi) securities issued or issuable to banks, equipment lessors or other financial institutions, or to real property lessors pursuant to a debt financing, equipment lease, bank credit arrangement, commercial leasing transaction or real property leasing transaction entered into for primarily non-equity financing purposes and approved by a majority vote of the Board of Directors;

(xii) securities issued in connection with sponsored research, collaboration, technology license, development, distribution, marketing or other similar agreements or strategic partnerships entered into for primarily non-equity financing purposes and approved by a majority vote of the Board of Directors;

(xiii) securities issued to suppliers or third party service providers in connection with the provision of goods or services pursuant to transactions approved by a majority vote of the Board of Directors;

(xiv) securities issued with the prior written waiver of the holders of at least a majority of the then outstanding shares of Preferred Stock (determined on an as-converted basis); and

(xv) securities issued or issuable upon conversion or exercise of any of the foregoing.

(b) In the event the Company proposes to undertake an issuance of New Securities, it shall give each Major Investor written notice of its intention, describing the type of New Securities, and their price and the general terms upon which the Company proposes to issue the same. Each Major Investor shall have twenty (20) days after receipt of such notice to agree to purchase such Major Investor's pro rata share of such New Securities 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, provided, however, that, if a Major Investor elects not to purchase its *pro rata* share of the New Securities pursuant to this Section 4.1, the Company shall promptly notify, in writing, the remaining Major Investor and offer each such Major Investor the right to acquire its *pro rata* share of such unsubscribed New Securities. The Major Investors shall have ten (10) days following receipt of such notice from the Company to notify the Company of their election to purchase their *pro rata* share of all or a portion of the unsubscribed New Securities.

(c) In the event the Major Investors fail to exercise fully the right of first refusal within said twenty (20) day period and, if applicable, such ten (10) day period (the "***Election Period***"), 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 ninety (90) days from the date of said agreement) to sell that portion of the New Securities with respect to which the Major Investors' right of first refusal option set forth in this Section 4.1 was not exercised, at a price and upon terms no more favorable to the purchasers thereof than specified in the Company's notice to Major Investors delivered pursuant to Section 4.1(b). In the event the Company has not sold within such ninety (90) day period following the Election Period, or such ninety (90) day period following the date of said agreement, the Company shall not thereafter issue or sell any New Securities without first again offering such securities to the Major Investors in the manner provided in this Section 4.1.

(d) The right of first refusal granted under this Agreement shall expire upon the earlier of (i) the closing of the Company's Initial Public Offering, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act or (iii) upon a Deemed Liquidation Event.

5. Drag-Along Rights.

5.1 Drag-Along Rights.

(a) If the Board of Directors and the holders of at least a majority of the then outstanding shares of Preferred Stock (determined on an as-converted basis) approve (i) a Deemed Liquidation Event, (ii) an Initial Public Offering or (iii) a transaction in which the holders of the voting securities of the Company outstanding immediately prior to such transaction retain less than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity

outstanding immediately after such transaction (but excluding any issuance or sale by this Company of stock for capital raising purposes) (collectively, (i)-(iii), a "***Sale of the Company***"), each holder of the outstanding Shares will (A) agree to vote (in person, by proxy or by action by written consent, as applicable) all his, her or its Shares in favor of such Sale of the Company and raise no objections against such Sale of the Company or the process through which the same was arranged, (B) waive any dissenter's rights, rights of appraisal and other similar rights, and (C) if such Sale of the Company is structured as a sale of stock, to sell his, her or its Shares on the terms and conditions approved by the holders of at least a majority of the then outstanding Preferred Stock (determined on an as-converted basis). Each holder of the outstanding Shares will take reasonable actions as directed by the Board of Directors and holders of at least a majority of the then outstanding Preferred Stock (determined on an as-converted basis) in connection with the consummation of any Sale of the Company, including without limitation, executing the applicable purchase agreement; *provided* that holders of outstanding Shares will not be required to sell their Shares unless:

(i) any representations and warranties to be made by such Stockholder in connection with the Sale of the Company are limited to representations and warranties related to authority, ownership and the ability to convey title to such Shares, including, but not limited to, representations and warranties that (A) the Stockholder holds all right, title and interest in and to the Shares such Stockholder purports to hold, free and clear of all liens and encumbrances, (B) the obligations of the Stockholder in connection with the transaction have been duly authorized, if applicable, (C) the documents to be entered into by the Stockholder have been duly executed by the Stockholder and delivered to the acquirer and are enforceable against the Stockholder in accordance with their respective terms; and (D) neither

the execution and delivery of documents to be entered into in connection with the transaction, nor the performance of the Stockholder's obligations thereunder, will cause a breach or violation of the terms of any agreement, law or judgment, order or decree of any court or governmental agency;

(ii) the liability for indemnification, if any, of each holder of outstanding Shares in such Sale of the Company is several, not joint, and is pro rata in accordance with such holder's relative ownership of the outstanding Shares, and will not exceed the consideration payable to such holder of outstanding Shares in such transaction (except in the case of potential liability for fraud or willful misconduct by such holder of outstanding Shares);

(iii) upon the consummation of such Sale of the Company, (A) each holder of each class or series of outstanding Shares will receive the same form of consideration for their Shares of such class or series as is received by other holders in respect of their Shares of such same class or series of stock, (B) each holder of a series of Preferred Stock will receive the same amount of consideration per share of such series of Preferred Stock as is received by other holders in respect of their shares of such same series, (C) each holder of Common Stock will receive the same amount of consideration per share of Common Stock

as is received by other holders in respect of their shares of Common Stock, and (D) unless the holders of at least a majority of the Preferred Stock (determined on an as-converted basis) elect to receive a lesser amount by written notice given to the Company prior to the effective date of any such Sale of the Company, the aggregate consideration receivable by all holders of the Preferred Stock and Common Stock shall be allocated among the holders of Preferred Stock and Common Stock on the basis of the relative liquidation preferences to which the holders of each respective series of Preferred Stock and the holders of Common Stock are entitled in a Deemed Liquidation Event (assuming for this purpose that such Sale of the Company is a Deemed Liquidation Event) in accordance with the Company's Certificate of Incorporation in effect immediately prior to such Sale of the Company; provided, however, that, notwithstanding the foregoing, if the consideration to be paid in exchange for the Shares of a Stockholder pursuant to this Section 5.1(a)(iii) includes any securities and due receipt thereof by any Stockholder that would require under applicable law (X) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (Y) the provision to any Stockholder of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act, the Company may cause to be paid to any such Stockholder in lieu thereof, against surrender of the Shares of the Stockholder which would have otherwise been sold by such Stockholder, an amount in cash equal to the fair value (as determined in good faith by the Company) of the securities which such Stockholder would otherwise receive as of the date of the issuance of such securities in exchange for the Shares of the Stockholder; and

(iv) if such holder is a holder of Series C-1 Preferred Stock, (A) upon consummation of such Sale of the Company, the holders of the Series C-1 Preferred Stock would receive in consideration for each share of Series C-1 Preferred Stock an amount greater than or equal to the Original Issue Price (as defined in the Certificate of Incorporation) of the Series C-1 Preferred Stock plus a cumulative 8% annual return (compounded annually) on such Original Issue Price from the date hereof, or (B) the holders of at least a majority of the then outstanding Series C-1 Preferred Stock consent to such Sale of the Company.

(b) The Company shall be expected to pay all reasonable costs of any sale of Shares pursuant to a Sale of the Company incurred for the benefit of all selling holders of outstanding Shares, *provided*, that all holders of outstanding Shares will bear their *pro rata* share (based upon the aggregate consideration to be received by such holder of outstanding Shares) of the reasonable costs of any sale of Shares pursuant to a Sale of the Company to the extent such costs are incurred for the benefit of all selling holders of outstanding Shares and are not otherwise paid by the Company or the acquiring party. Costs incurred by any holder of outstanding Shares on its own behalf will not be considered costs of the transaction hereunder; *provided*, that in any event the Company shall pay the reasonable attorney's fees and expenses of a single counsel for the Investors in connection with the Sale of the Company.

(c) If the Company or the holders of the Company's securities enter into any negotiation or transaction for which Rule 506 may be available with respect to such negotiation or transaction (including a sale of assets, merger, consolidation or other reorganization), each holder of Shares who is not an "accredited investor" (as that term is defined in Rule 501), will, at the request of the Company, appoint either a purchaser representative (as such term is defined in Rule 501) designated by the Company, in which event the Company will pay the fees of such purchaser representative, or another purchaser representative (reasonably acceptable to the Company), in which event such holder will be responsible for the fees of the purchaser representative so appointed.

(d) This Section 5.1 shall automatically terminate upon the earlier of (i) consummation of an Initial Public Offering, (ii) consummation of a Sale of the Company or (iii) such time as the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act.

5.2 Additional Stockholders. In the event that as of the date of this Agreement or at any time following the date of this Agreement, the Company issues shares of (i) Common Stock or (ii) Preferred Stock to any person not already party to this Agreement, the Company shall cause such person to execute a counterpart signature page hereto as a "Common Holder" or "Preferred Holder," as applicable, and such person shall thereby be bound by, and subject to, all the terms and provisions of this Agreement applicable to Common Holders or Preferred Holders, as applicable.

6. Additional Covenants.

6.1 Insurance. The Company shall obtain, as promptly as practicable and in any event within ninety (90) days of the date hereof, from financially sound and reputable insurers Directors and Officers liability insurance in an amount and on terms and conditions satisfactory to the Board of Directors, and shall maintain such insurance policies in place until such time, if any, as the Board of Directors determines that such insurance should be discontinued.

6.2 Employee Agreements. Unless otherwise determined by the Board of Directors, the Company will cause (i) each Key Employee, now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) with access to confidential information and/or trade secrets to enter into a nondisclosure and proprietary rights assignment agreement and (ii) each Key Employee to enter into a one (1) year nonsolicitation agreement, substantially in the form approved by the Board of Directors. In addition, the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, any of the above-referenced agreements, without the consent of the Board of Directors, including a majority of the directors appointed by the holders of Series A-1 Preferred Stock in accordance with the Certificate of Incorporation.

6.3 Employee Stock. Unless otherwise approved by the Board of Directors or a committee of the Board of Directors, (i) all employees and consultants of the Company who

purchase, receive options to purchase, or receive awards of shares of the Company's capital stock after the date hereof in connection with the initiation of their employment or consultancy shall be required to execute restricted stock or option agreements, as applicable, providing for vesting of shares over a four (4) year period, with the first twenty-five percent (25%) of such shares vesting following twelve (12) months of continued employment or service, and the remaining shares vesting in equal quarterly installments over the following thirty-six (36) months, and (ii) all employees and consultants of the Company who purchase, receive options to purchase, or receive awards of shares of the Company's capital stock after the date hereof other than in connection with the initiation of their employment or consultancy shall be required to execute restricted stock or option agreements, as applicable, providing for vesting of shares over a four (4) year period, with the shares vesting in equal quarterly installments. All such grants of, or options to purchase or receive awards of, shares shall be approved by the Board of Directors or a committee of the Board of Directors.

6.4 Board Matters. The Company shall reimburse the nonemployee directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board of Directors and in the performance of other activities performed at the Company's request. The Company shall continue to maintain a compensation committee, which shall include at least two directors appointed by the holders of Preferred Stock in accordance with the Certificate of Incorporation and the membership of which will be approved of by at least a majority of the directors appointed by the holders of Preferred Stock in accordance with the Certificate of Incorporation. The Company shall continue to maintain an audit committee, which shall include at least two non-management directors and the membership of which will be approved by a majority of the directors appointed by the holders of Preferred Stock in accordance with the Certificate of Incorporation.

6.5 Termination of Covenants. The covenants set forth in this Section 6 shall terminate and be of no further force or effect upon the earlier of (i) the closing of the Company's Initial Public Offering, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon a Deemed Liquidation Event.

7. Miscellaneous.

7.1 Amendment. Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Agreement and signed by the Company and the holders of at least a majority of the shares of Preferred Stock (determined on an as-converted basis) and shares of Common Stock issued upon conversion of the Preferred Stock (excluding any of such shares that have been sold to the public or pursuant to Rule 144); provided, however, that (i) if any such amendment or waiver would adversely affect the rights or increase the obligations of the Common Holders in a manner differently than such amendment or waiver affects the holders of Preferred Stock, then such amendment or waiver shall not be effective unless at least Common Holders holding a majority of the shares of Common Stock, have consented to such amendment or waiver, (ii) Sections 2.10, 3.1, 3.2 and 3.5 shall not be amended or waived in a manner that adversely affects the Wellington Investors, without the prior written consent of the Wellington Investors holding a majority of the Registable Securities held by all Wellington Investors and

(iii) this Agreement may be amended by the Company from time to time to add additional "Common Holders" and "Preferred Holders" to this Agreement under Section 5.2 without the consent of the other parties hereto. Notwithstanding the foregoing, this Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, termination, or waiver applies to all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction). Any such amendment, waiver, discharge or termination effected in accordance with this paragraph shall be binding upon each holder and each future holder of all such securities of holder. Each holder acknowledges that by the operation of this paragraph, the holders holding at least a majority of the shares of Preferred Stock (determined on an as-converted basis) and shares of Common Stock issued upon conversion of the Preferred Stock (excluding any of such shares that have been sold to the public or pursuant to Rule 144) will have the right and power to diminish or eliminate all rights of such holder under this Agreement, but only in a manner effecting all such holders equally and subject in each case to the limitations set forth herein.

7.2 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail or otherwise delivered by hand or by messenger addressed:

(a) if to an Investor, only at the Investor's address, facsimile number or electronic mail address as shown in the Company's records, as may be updated in accordance with the provisions hereof;

(b) if to a Common Holder, at such address, facsimile number or electronic mail address as shown in the Company's records, or, until such holder so furnishes an address, facsimile number or electronic mail address to the Company, then to and at the address of the last holder of such shares for which the Company has contact information in its records; or

(c) if to the Company, one copy should be sent to Mersana Therapeutics, Inc., 840 Memorial Drive, Cambridge, MA 02139, Attn: Chief Business Officer, or at such other address as the Company shall have furnished to the Investors, with a copy to Marc A. Rubenstein, Esq., Ropes & Gray LLP, 800 Boylston Street, Boston, MA 02199.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given when delivered if delivered personally, or, if sent by mail, at the earlier of its receipt or 72 hours after the same has been deposited in a regularly maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid or, if sent by facsimile, upon confirmation of facsimile transfer or, if sent by electronic mail, upon confirmation of delivery when directed to the electronic mail address set forth on the Schedule of Investors.

7.3 Governing Law. This Agreement shall be governed in all respects by the internal laws of the State of Delaware, without regard to principles of conflicts of law.

7.4 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto and shall inure to the benefit of and be enforceable by each person who shall be a holder of Registrable Securities from time to time; provided, however, that prior to the receipt by the Company of adequate written notice of the transfer of any Registrable Securities specifying the full name and address of the transferee, the Company may deem and treat the person listed as the holder of such shares in its records as the absolute owner and holder of such shares for all purposes, including the payment of dividends or any redemption price. The rights of any Investor under this Agreement may be assigned, in whole or in part, to any Affiliate or Affiliated Fund of such Investor in connection with a transfer of such Investor's Registrable Securities by such Investor to such Affiliate or Affiliated Fund.

7.5 Entire Agreement; Rescission of Prior Agreement. This Agreement and the exhibits hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and supersedes all prior written or oral agreements and understandings relating to such subject matter, including without limitation, the Prior Agreement. No party hereto shall be liable or bound to any other party in any manner with regard to the subjects hereof or thereof by any warranties, representations or covenants except as specifically set forth herein. The provisions of this Agreement are intended to supersede the provisions of the Prior Agreement. From and after the execution and delivery of this Agreement by the Company and Existing Investors holding not less than a minimum vote required in Section 7.1 of the Prior Agreement, the Prior Agreement shall be deemed to be terminated and superseded in all respects and any noncompliance with the terms thereof in connection with the issuance of the Series C-1 Preferred Stock is hereby expressly waived (including, without limitation, the right of first refusal set forth in Section 4.1 of the Prior Agreement, including the right to receive notice thereunder).

7.6 Delays or Omissions. Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy of such non-defaulting 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 in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party to this Agreement, shall be cumulative and not alternative.

7.7 Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement, and such court will replace such illegal, void or unenforceable provision of this

Agreement with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Agreement shall be enforceable in accordance with its terms.

7.8 Titles and Subtitles. The titles and subtitles 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 and exhibits shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits attached hereto.

7.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties that execute such counterparts, and all of which together shall constitute one instrument.

7.10 Telecopy Execution and Delivery. A facsimile, telecopy or other reproduction of this Agreement may be executed by one or more parties hereto and delivered by such party by facsimile or any similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen. Such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto agree to execute and deliver an original of this Agreement as well as any facsimile, telecopy or other reproduction hereof.

7.11 Further Assurances. Each party hereto agrees to execute and deliver, by the proper exercise of its corporate, limited liability company, partnership or other powers, all such other and additional instruments and documents and do all such other acts and things as may be necessary to more fully effectuate this Agreement.

7.12 Affiliated Funds or Aggregation of Stock. All shares of Common Stock and Preferred Stock held or acquired by Affiliated Funds or Affiliated entities or persons or entities under common investment management or control shall be aggregated together for the purpose of determining the availability of any rights or obligations under this Agreement. Additionally, for any Holder that is a partnership, corporation or limited liability company, the general partner, limited partners, retired partners, shareholders, members, retired members and Affiliates of such Holder, or the members or retired members of the foregoing, as applicable, or the estates, beneficiaries and family members of any such general partner, limited partners, retired partners, shareholders, members, and retired members and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single "Holder," and any pro rata reductions pursuant to Section 2.1 or 2.3 with respect to such Holder shall be based upon the aggregate amount of Registrable Securities owned by all entities and individuals included in such "Holder," as defined in this Section 7.12.

7.13 Acknowledgment. The Company acknowledges that Wellington and its investment advisory clients and New Enterprise Associates 14, L.P., NEA Ventures 2012, L.P. and their Affiliates (collectively, "**NEA**") currently may be invested in, may invest in or may consider investments in public and private companies, including, without limitation, companies that may compete either directly or indirectly with the Company, and that the execution of this

Agreement, the terms hereof and the access to the Company's confidential information hereunder shall in no way be construed to prohibit or restrict Wellington or its investment

advisory clients or NEA from maintaining, making or considering such investments or from otherwise operating in the ordinary course of business. Further, the Company understands and acknowledges that the use by Wellington or its investment advisory clients or NEA in connection with evaluating investment opportunities, trading securities in the public markets and participating in private investment transactions of any knowledge, experience and know-how that (a) comprises or is based on confidential information of the Company received by any Wellington Investor or NEA pursuant to this Agreement, and (b) is retained in the memory of any authorized representative of such Wellington Investor or NEA after having access to such confidential information (so long as it was not intentionally retained for the purpose of breaching this Agreement) shall not be a breach of Section 3.3 hereof; provided that, for the avoidance of doubt, Wellington, the Wellington Investors and NEA shall continue to be prohibited from disclosing or otherwise providing the Company's confidential information (or any derivatives, extracts or summaries thereof) to anyone other than as permitted under Section 3.3 hereof. For purposes of clarity, the term "investment advisory clients" includes, without limitation, the Wellington Investors.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

COMPANY:

MERSANA THERAPEUTICS, INC.,
a Delaware corporation

By: /s/ Anna Protopapas
Name: Anna Protopapas
Title: President and Chief Executive Officer

[Signature Page to Third Amended and Restated Investor Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

HADLEY HARBOR MASTER INVESTORS (CAYMAN) L.P.

By: Wellington Management Company LLP, as investment adviser

By: /s/ Emily Babalas
Name: Emily Babalas
Title: Managing Director and Counsel

[Signature Page to Third Amended and Restated Investor Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

MILLENNIUM PHARMACEUTICALS, INC.

By: /s/ Christophe Bianchi
Name: Christophe Bianchi
Title: President

[Signature Page to Third Amended and Restated Investor Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

CORMORANT GLOBAL HEALTHCARE MASTER FUND, LP

By: Cormorant Global Healthcare GP, LLC

By: /s/ Bihua Chen
Name: Bihua Chen
Title: Managing Member of the GP

[Signature Page to Third Amended and Restated Investor Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

CORMORANT PRIVATE HEALTHCARE FUND I, LP

By: Cormorant Private Healthcare GP, LLC

By: /s/ Bihua Chen
Name: Bihua Chen
Title: Managing Member of the GP

[Signature Page to Third Amended and Restated Investor Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

CRMA SPV, L.P.

By: Cormorant Asset Management, LLC

By: /s/ Bihua Chen
Name: Bihua Chen
Title: Managing Member of the Special Limited Partner

[Signature Page to Third Amended and Restated Investor Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

NEW ENTERPRISE ASSOCIATES 14, L.P.

By: NEA Partners 14, Limited Partnership, its General Partner

By: NEA 14 GP, LTD, its General Partner

By: /s/ Louis S. Citron
Name: Louis S. Citron
Title: Chief Legal Officer

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

NEA VENTURES 2012, L.P.

By: /s/ Louis S. Citron
Name: Louis S. Citron
Title: Chief Legal Officer

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

F-PRIME CAPITAL PARTNERS
HEALTHCARE FUND III LP

By: F-Prime Capital Partners Healthcare Advisors Fund III LP, its sole General Partner

By: Impresa Management LLC, its sole General Partner

By: /s/ Mary Bevelock Pendergast
Name: Mary Bevelock Pendergast
Title: Vice President

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

F-PRIME CAPITAL PARTNERS HEALTHCARE FUND LP

By: F-Prime Capital Partners Healthcare Advisors Fund LP, its General Partner

By: Impresa Management LLC, its General Partner

By: /s/ Mary Bevelock Pendergast
Name: Mary Bevelock Pendergast
Title: Vice President

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

F-PRIME CAPITAL PARTNERS HC PRINCIPALS FUND LP

By: F-Prime Capital Partners Healthcare Advisors Fund LP, its General Partner

By: Impresa Management LLC, its General Partner

By: /s/ Mary Bevelock Pendergast
Name: Mary Bevelock Pendergast
Title: Vice President

[Signature Page to Third Amended and Restated Investor Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

RHO VENTURES V, L.P.

By: RMV V, L.L.C., its General Partner

By: Rho Capital Partners LLC, its Managing Member

By: /s/ Jeffrey Martin

Name: Jeffrey Martin

Title: Attorney-in-fact

[Signature Page to Third Amended and Restated Investor Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

RHO VENTURES V AFFILIATES, L.L.C.

By: RMV V, L.L.C., its General Partner

By: Rho Capital Partners LLC, its Managing Member

By: /s/ Jeffrey Martin

Name: Jeffrey Martin

Title: Attorney-in-Fact

[Signature Page to Third Amended and Restated Investor Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

ROCK SPRINGS CAPITAL MASTER FUND LP

By: Rock Springs GP, LLC, its General Partner

By: /s/ Mark Bussard

Name: Mark Bussard

Title: Managing Member

[Signature Page to Third Amended and Restated Investor Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

SIGAL FAMILY INVESTMENTS, LLC

By: /s/ Elliott Sigal

Name: Elliott Sigal

Title: Manager

[Signature Page to Third Amended and Restated Investor Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

LOOKFAR INVESTMENTS LLC

By: /s/ David Corkins
Name: David Corkins
Title: Managing Member

[Signature Page to Third Amended and Restated Investor Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

IRON HORSE INVESTMENTS 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 Investor Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

THB IRON ROSE 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 Investor Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

THB IRON ROSE LLC, LIFE SCIENCE PORTFOLIO

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 Investor Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Investor Rights Agreement effective as of the day and year first above written.

STOCKHOLDER:

TONY YAO

By: /s/ Tony Yao
Name: Tony Yao

[Signature Page to Third Amended and Restated Investor Rights Agreement]

EXHIBIT A

INVESTORS

New Enterprise Associates 14, L.P.

NEA Ventures 2012, L.P.

Pfizer Inc.

ProQuest Investments III, L.P.

F-Prime Capital Partners Healthcare Fund III LP (f/k/a Beacon Bioventures Fund III Limited Partnership)

Rho Ventures V, L.P.

Rho Ventures V Affiliates, L.L.C.

Harris & Harris Group, Inc.

Pinnacle Investment Partners “Q-6”, L.P.

Kariba LLC

John L. Zabriskie, Jr. Survivor’s Trust

Rock Springs Capital Master Fund LP

Sigal Family Investments, LLC

Anna Protopapas

Kinney/Protopapas Family Irrevocable Trust

Hadley Harbor Master Investors (Cayman) L.P.

Millennium Pharmaceuticals, Inc.

Cormorant Global Healthcare Master Fund, LP

Cormorant Private Healthcare Fund I, LP

CRMA SPV, L.P.

Lookfar Investments LLC

Iron Horse Investments LLC

Tony Yao

THB Iron Rose LLC

THB Iron Rose LLC, Life Science Portfolio

EXHIBIT B

COMMON HOLDERS

Michael M. Tarnow

Mikhail Papisov

PureTech Ventures, LLC

The General Hospital

David Elmaleh

Martin Woodle

Vladimir Torchilin

Gian-Paolo Dotto

Bruce Zetter

David Sherris

Michael Davis

Leonard Miller

Marc Davis

Lewis Geffen

John Grady

Timothy Shoup

Betsy Glidden

David Sullivan

Peter U. Park

Mintz Levin Investments, LLC

Pepe & Hazard LLC

M.B.V.H. Investments, Inc.

Cape 1998 Trust

ProQuest Investments III, L.P.

F-Prime Capital Partners Healthcare Fund LP (f/k/a Beacon Bioventures Limited Partnership)

F-Prime Capital Partners HC Principals Fund LP (f/k/a Beacon Bioventures Principals Limited Partnership)

Rho Ventures V, L.P.

Rho Ventures V Affiliates, L.L.C.

Harris & Harris Group, Inc.

Oxford Finance LLC

John L. Zabriskie, Jr. Survivor’s Trust

Wayne Foster

Exhibit 10.2

INDENTURE OF LEASE

by and between

RIVERTECH ASSOCIATES II, LLC

("LESSOR")

and

MERSANA THERAPEUTICS, INC.

("LESSEE")

RIVERSIDE TECHNOLOGY CENTER

840 Memorial Drive
Cambridge, Massachusetts

RIVERSIDE TECHNOLOGY CENTER

COMMERCIAL LEASE

BETWEEN

RIVERTECH ASSOCIATES II, LLC

AND

MERSANA THERAPEUTICS, INC.

Agreement entered into this 24th day of February, 2009 in consideration of the covenants and other benefits herein contained, the receipt and sufficiency of said consideration being hereby acknowledged.

Rivertech Associates II, LLC, a Massachusetts limited liability corporation, c/o The Abbey Group, 575 Boylston Street, Boston, MA 02116 (herein "LESSOR"), does hereby lease to and **Mersana Therapeutics, Inc.** a Delaware corporation having its principal place of business at 840 Memorial Drive Cambridge, Massachusetts (herein "LESSEE"), does hereby lease from said LESSOR, certain space located at 840 Memorial Drive, Cambridge, Massachusetts (herein "Building") being that portion of the second (2nd) floor of the Building, shown on Exhibit A attached hereto (herein, "Lease Plan") consisting of approximately 11,411 rentable square feet as appearing on said Lease Plan, (the "Leased Premises" or "Premises"); with the right in common with others in the Building to use such common areas of the Building as are designated by the LESSOR, from time to time including but not limited to the 2nd floor common lavatories; shared loading dock; shared passenger and freight elevators; and common walkways, driveways and lobbies; as well as the additional accessory areas set forth in Section 6 hereof.

1. Lease Term. LESSOR shall deliver the Leased Premises to the LESSEE as set forth in Section 32 hereof. LESSEE hereby leases the Leased Premises for an original Term of thirty six (36) consecutive months (herein, "Lease Term"). The Term of the Lease shall begin on July 1, 2009, referred to herein as the "Commencement Date", and shall end on June 30, 2012, referred to herein as the "Termination Date". The "First Lease Year" commences on the Commencement Date and ends on June 30, 2010. Each successive "Lease Year" shall be the next twelve full month period after the end of the First Lease Year. As of the date of this Lease, LESSEE is in occupancy of the Leased Premises as a subtenant except with respect to the portion of the Leased Premises designated as the "Expansion Space" on the Lease Plan. If LESSOR fails to deliver the Expansion Space to LESSEE in the condition required by this Lease on July 1, 2009, LESSOR shall use best efforts to so deliver the Expansion Space as soon thereafter as

possible (including, without limitation, the prosecution of legal proceedings against the current occupant) and the Rent and other charges under this Lease shall be equitably reduced until the Expansion Space is so delivered but only if the Expansion Space is not delivered within fourteen (14) days of the Commencement Date.

The Term may be extended as contemplated by Section 33 hereof.

2. Annual Base Rent and Additional Rent. LESSEE shall pay to LESSOR an Annual Base Rent pursuant to the schedule below during each Lease Year (or portion thereof as the case may be) of the Term hereof, (herein, "Annual Base Rent"). Annual Base Rent shall be payable in advance, in equal monthly installments, due on the first day of each calendar month, pursuant to the schedule below.

LESSEE shall be required to pay its first monthly installment of Annual Base Rent, along with the full amount of the Security Deposit set forth in Section 5 hereof, on May 1, 2009.

All payments of Annual Base Rent (and any Additional Rent or other sums due LESSOR) shall be made to LESSOR at 575 Boylston Street, Boston, Massachusetts 02116 or to such other agent or at such other place as LESSOR may designate in writing. The covenants to pay all Annual Base Rent and all Additional Rent hereunder (collectively, "Rent") shall be independent from any and all other covenants of LESSOR to LESSEE hereunder; and all Rent shall be promptly paid when due hereunder.

LESSEE shall pay interest from the date due, at annual rate of eighteen (18%) percent of any installments of Annual Base Rent, or Additional Rent or other payments which are not received by LESSOR within ten days after written notice from LESSOR that any such Rent was not received.

SCHEDULE OF ANNUAL BASE RENT

Lease Year	Annual Base Rent	Monthly Installment
First Lease Year	$ 502,084.00	$ 41,840.33
Second Lease Year	$ 513,495.00	$ 42,791.25
Third Lease Year	$ 524,906.00	$ 43,742.17

This Lease is intended to be a triple net lease, and as such LESSEE shall also be responsible for payment of its pro rata share of Operating Expenses (see Section 3 herein), real estate taxes (see Section 4 herein) and utilities (see Section 7 herein). All payments due to LESSOR hereunder in addition to those under Section 2 shall be deemed to be "Additional Rent", characterized as such or as "Rent" interchangeably.

LESSEE's allocable pro rata share is 8.85 % (the LESSEE's "Allocable Percentage") as that concept is used herein to compute Additional Rent.

3. Additional Rent (Operating Expenses). LESSEE, in addition to the sums payable to LESSOR as Annual Base Rent as determined in Section 2 hereof shall pay to LESSOR for each year (or portion thereof, as applicable) of the Lease Term, as Additional Rent, LESSEE's Allocable Percentage of any and all actual Operating Expenses attributable to the Building for said year of the Lease Term (herein, "Additional Operating Expense Rent"). Operating Expenses as set forth in Exhibit B hereto are the unaudited actuals for calendar year 2007 (and will be subject to change based on actual costs and expenses incurred for each of the categorized Exhibit B costs and expenses in the remainder of 2008 and for each subsequent calendar year during the Term).

"Operating Expenses" shall not include the following: The costs of LESSEE's improvements and services for which LESSEE or any tenant is obligated to specifically and directly reimburse LESSOR, or pays third persons at LESSOR's directions; income, franchise, estate, inheritance, transfer, gains, recording, excise, occupancy, rent, gift, payroll, stamp, real estate or personal property taxes of the LESSOR; the costs incurred in any rehabilitation, reconstruction or other work occasioned by any casualty or by the exercise of the right of eminent domain (except to the extent of any so-called "deductible" in a commercially reasonable amount under policies of insurance); depreciation of the Building; general corporate overhead of the LESSOR entity; legal expenses incurred in any dispute with any particular tenant (other than those incurred which are of benefit to or protect the rights of other tenants in the building generally, including LESSEE); costs of improvements and renovations to other tenants' or occupants' spaces or vacant spaces; costs of capital improvements to the Building, its systems and appurtenances (but not including maintenance, repairs or replacements); brokerage and advertising costs in seeking new tenants; interest and penalties incurred due to LESSOR's willful violation of any laws, regulations or government order or the provisions of this Lease; direct expenses in connection with specific services which are not provided this LESSEE or generally available to or servicing the Building which are selectively provided to another tenant or occupant; costs and fees paid to subsidiaries or affiliates of LESSOR or to any person or party otherwise directly or indirectly related to LESSOR to the extent that the amount of such cost or fee exceeds the generally accepted cost or fee of the same item or service if furnished or provided by an unrelated person or party on a competitive basis; debt service, amortization and payments made under any ground or underlying lease; costs for the removal, encapsulation or other remediation of hazardous substances in the Building or the land unless such hazardous substances were introduced by LESSEE; to the extent any costs that are otherwise includable in Operating Expenses are incurred with respect to the Building and other properties, there shall be excluded from Operating Expenses a fair and reasonable percentage thereof that is properly allocable to such other properties; and any rental payments for equipment which, if purchased, would be excluded as a capital improvement under generally accepted accounting standards in LESSOR's reasonable judgment.

LESSEE shall pay its Allocable Percentage of Additional Operating Expense Rent to LESSOR based on a prospective annual schedule prepared by the LESSOR, in monthly increments based on said schedule, with each monthly payment of Annual Base Rent due hereunder. LESSOR, at its discretion, may assess LESSEE for any extraordinary item of cost or expense which may actually occur as a direct result of LESSEE's own distinct uses or activities which shall be itemized, invoiced separately, and paid by LESSEE within thirty (30) days of its receipt of the invoice. Within one hundred twenty (120) days of the close of each calendar year, LESSOR shall provide LESSEE with a reasonably detailed accounting of Operating Expenses for such prior calendar year, and shall adjust the prior year's schedule of Additional Operating Expense Rent to account for actual and properly accrued costs, expenses, and liabilities, and shall issue LESSEE a refund or deficiency statement for that year, as appropriate. LESSEE shall pay any deficiency shown thereon within thirty (30) days of its receipt of said invoice. Any rebates due LESSEE (not contested by LESSOR) shall, in LESSOR's reasonable discretion, be credited toward current monthly Rent or paid to LESSEE within thirty (30) days.

Upon LESSEE's request, subsequent to LESSEE's receipt of such annual accounting, LESSOR shall make available to LESSEE for inspection, during normal business hours and at LESSOR's offices in Massachusetts, all relevant books, records and invoices upon which Operating Expenses are calculated. If there is any dispute, LESSOR and LESSEE shall attempt to negotiate reconciliation thereof, neither party being under any obligation to enter into any such settlement or compromise. If such negotiated reconciliation fails, then either LESSOR or LESSEE, upon thirty (30) days prior written notice to the other, may submit any dispute regarding Operating Expenses to arbitration in the City of Cambridge or Boston, Massachusetts under the Expedited Procedures provisions of the Commercial Arbitration Rules of the American Arbitration Association and the decision and award of the arbitrator(s) shall be final and conclusive on the parties and enforceable in any court of competent jurisdiction. All such arbitration results shall apply to the parties only (and not any other tenants of the Building) and shall be kept confidential by LESSOR and LESSEE. Each party shall be responsible for its own costs and expenses of the arbitration proceedings.

4. Additional Rent (Real Estate Taxes). LESSEE, in addition to the sums payable to LESSOR as Annual Base Rent as determined in Section 2 hereof, shall pay to LESSOR for each year (or portion thereof, as applicable) of the Lease Term, as Additional Rent, LESSEE's Allocable Percentage of the municipal real estate taxes on the Building and land on which it is situated (herein the "Additional Real Estate Tax Rent").

Notwithstanding the foregoing, LESSOR shall be under no obligation to file for any abatement of taxes for FY 2009 or any other fiscal year, and LESSEE shall pay all amounts as invoiced by LESSOR, receiving a rebate based on its Allocable Percentage only if abatement is sought and received by LESSOR.

LESSEE shall pay its Allocable Percentage of Additional Real Estate Tax Rent to LESSOR based on a prospective annual schedule prepared by the LESSOR, in monthly increments based on said schedule, with each monthly payment of Annual Base Rent due hereunder. Within one hundred twenty (120) days of the close of each calendar year, LESSOR shall adjust the prior year's schedule of Additional Real Estate Tax Rent to account for actual and properly accrued costs, expenses, and liabilities, and shall issue LESSEE a refund or deficiency statement for that year, as appropriate. LESSEE shall pay any deficiency shown thereon within thirty (30) days of its receipt of said invoice. In the event of any disagreement, the parties shall engage in the negotiation and arbitration processes set forth in the last paragraph of Section 3 hereof. Any rebates due LESSEE (not contested by LESSOR) shall, in LESSOR's reasonable discretion, be credited toward current monthly Rent or paid to LESSEE within thirty (30) days. LESSOR shall provide copies of the relevant tax bills to LESSEE upon LESSEE's request.

5. Security Deposit. On or before May 1, 2009 LESSEE shall post with LESSOR (and maintain at all times during the Original and Extended Term), a Security Deposit in the amount of One Hundred Sixty Seven Thousand Three Hundred Sixty One 33/100 ($ 167,361.33) Dollars, subject to reduction to the amount of Eighty Three Thousand Six Hundred Eighty 66/100($ 83,680.66) Dollars (respectively, the "Security Deposit Amount") as described below; which shall be held as security for LESSEE's performance as herein provided, to be returned to LESSEE at the end of this Lease Term (as may be extended), subject to LESSEE's satisfactory compliance with the terms and conditions hereof.

The Security Deposit Amount shall be delivered to LESSOR, on or before May 1, 2009,, either by:

(a) certified or bank check drawn on a Massachusetts bank (which sum, plus any interest thereon, LESSOR shall be entitled to commingle and use with LESSOR's own funds); or

(b) irrevocable stand-by Letter of Credit, drawn on a commercial bank reasonably acceptable to LESSOR.

If available to LESSEE, the Letter of Credit shall be the full term of this Lease. However, the Letter of Credit may be written on an annual basis with a provision that it may be drawn upon if LESSEE fails to provide a renewal or replacement therefor forty-five (45) days prior to the expiration of the then existing Letter of Credit.

The Letter of Credit shall: (i) name LESSOR as beneficiary; (ii) be for a term equal to the Lease Term (or any extended term, as and when appropriate); (iii) be cancelable only with a minimum 30 days prior notice to LESSOR; and (iv) be substantially in the form attached hereto as Exhibit C and in all respects in form and substance reasonably satisfactory to LESSOR.

The Security Deposit Amount shall be reduced as contemplated above provided the LESSEE has not defaulted beyond and notice, grace and cure periods under the terms and conditions of this Lease prior to the date of said reduction, which reduction shall occur on the first of the month after the expiration of eighteen (18) full calendar months after the Commencement Date.

LESSOR reserves the right, at any time, to require that the Original Letter of Credit be replaced by another Letter of Credit issued by another U.S. commercial bank reasonably acceptable to LESSOR, in the exercise of LESSOR's reasonable discretion. LESSOR shall accept a cash deposit in the amount set forth below for the appropriate year, in the interim while LESSEE procures said replacement Letter of Credit. LESSEE shall be required to make its substitution within fourteen (14) business days from receipt of LESSOR's notice. Failure to provide said replacement Letter of Credit shall entitle LESSOR to draw on the existing Letter of Credit and hold the cash proceeds thereof pursuant to the preceding sentence until LESSEE procures a replacement; LESSEE' s failure to provide a cash Security Deposit (pursuant to LESSOR's draw on the Letter of Credit or otherwise), or to provide a replacement Letter of Credit shall constitute a default under the Lease.

6. Use of Leased Premises. LESSEE shall use the leased premises for general office, research and laboratory space only, which uses LESSOR warrants and represents are currently allowed under local zoning regulations (subject to compliance with federal, state and municipal safety, healthy, building, and sanitary codes). LESSEE will use the Leased Premises in a careful, safe and proper manner and will not do or permit any act or thing that is contrary to any legal or insurance requirement referred to in Section 17 hereof or that might impair the value of the Leased Premises or Building or any part thereof, or that constitutes a material risk to the safety, health or well-being of other lessees in the Building or the community, or creates a public or private or private nuisance or waste.

LESSEE shall not be entitled to bring any animals (including without limitation laboratory mice, rats or other mammals or primates, reptiles or aquatic life); micro-organisms; or bacteriological, biological, or pathological agents into the Building or the Leased Premises without prior written notice to LESSOR and LESSOR's express written consent; which consent LESSOR shall not unreasonably withhold, delay or condition. LESSOR hereby expressly approves LESSEE's use of the animals, micro-organisms, bacteriological, biological, and pathological agents listed on Exhibit D attached hereto in the Leased Premises. As to any of the foregoing, if and to the extent permitted by LESSOR, LESSEE, at its sole cost and expense, shall comply with all applicable local, state and federal governmental statutes, regulations, rulings and orders applicable thereto (including procuring any required permits or authorizations). LESSOR may condition its consent to the presence of such animals based on quantity, type, arrangements for storage, sanitation, transportation, and other physical and logistical considerations as

LESSOR may reasonably determine in each instance and from time to time as circumstances may require. LESSEE hereby indemnifies and holds harmless LESSOR from and against any and all damages, liabilities, claims, demands, actions or other losses arising from LESSEE's non-compliance with this clause, or non-compliance with any conditions imposed by LESSOR hereunder in the future.

LESSEE shall have access to the Leased Premises and the Building parking garage for LESSEE's use seven days per week and twenty four hours per day for each day of the Term, subject to the provisions of Section 7 hereof relative to overtime heat and air-conditioning. LESSEE shall keep the Leased Premises in a clean and orderly and presentable condition equivalent to the reasonable standards set by LESSOR for the Building; and LESSEE shall be solely responsible to provide its own cleaning and janitorial services to the Leased Premises, at its sole cost and expense.

LESSEE shall be responsible for its own cleaning of the Leased Premises, and the prompt and proper disposal of all garbage, refuse, debris and other waste as mandated by reasonable Building regulations. LESSOR shall provide and maintain a trash dumpster and/or compactor at the Building loading dock, for the non-exclusive use of all tenants for disposal of non-hazardous/non controlled materials and substances. LESSEE may, but shall not be obligated (except as required by law) to implement a recycling program, but its implementation, maintenance, or operation shall be, except as required by law, without any cost or expense to LESSOR or any other tenants of the Building. Except as required by law, LESSOR is not obligated to coordinate any such program in any respect.

In addition to its rights to occupy and use the Leased Premises, LESSEE shall also be entitled to use the following areas, as follows:

(a) LESSEE shall have the exclusive use of two "tel/data rooms" as they are currently configured within the Leased Premises (subject to removal of other tenants' servers, equipment, wires and cables as set forth in Section 11);

(b) LESSEE shall be entitled to install its own generator in a location either on the roof of the Building, or alternatively, in another location designated by LESSOR (e.g. parking garage level) by mutual agreement of LESSOR and LESSEE (with wiring, cabling, ducting, and conduits, as needed through the Building to the Leased Premises); LESSOR to approve the specifications therefor (such approval not to be unreasonably withheld or delayed); with all costs and expenses thereof to be borne by the LESSEE;

(c) LESSEE shall be entitled to install its own additional HVAC equipment, antennas, satellite dishes and other communications equipment on the roof of the Building (with wiring, cabling, ducting, and conduits, as needed through the Building to the Leased Premises); LESSOR to approve the locations and specifications therefor (such approval not to be

unreasonably withheld or delayed); with all costs and expenses thereof to be borne by the LESSEE;

(d) LESSEE shall have the exclusive use of the currently existing acid neutralization system in place in the Leased Premises; LESSOR making no representations or warranties with respect thereto and LESSEE being fully responsible to all maintenance, repairs and replacements thereto at its sole cost and expense.

7. Utilities. LESSOR shall provide to the Leased Premises the building standard facilities for heat and air conditioning for the Leased Premises, and also to the common areas and facilities which LESSEE enjoys the right to use, as required for comfortable occupancy, during 8 AM to 6 PM each business day (herein "Normal Business Hours").

LESSOR shall provide electricity to the Leased Premises (to be distributed throughout the Leased Premises however, at LESSEE's sole cost and expense). Notwithstanding the foregoing, LESSEE shall pay all charges for electricity used on the Leased Premises. LESSEE shall pay all actual charges, without mark-up or profit to LESSOR, for electricity used on the Leased Premises as it may be separately metered to the Leased Premises, or based on LESSEE's Allocable Percentage of the total electric bill for the Building if not separately metered or if only partially separately metered to the Leased Premises (whichever or both as may be applicable), at the reasonable determination of the LESSOR. LESSOR shall determine any such electric charges not separately metered to the Leased Premises in a uniform and non-discriminatory manner relative to other lessees and occupants in the Building whose electric charges are not separately metered. LESSEE shall pay its electrical charges to LESSOR as invoiced by LESSOR on a monthly basis (whether based on actual or estimated charges) within thirty (30) days of its receipt of the invoice. Within one hundred twenty (120) days of the close of each calendar year, LESSOR shall adjust the LESSEE's prior year's electrical payments to account for the actual and properly accrued charges, and shall issue LESSEE a refund or deficiency statement for that year, as appropriate. LESSEE shall pay any deficiency shown thereon within thirty (30) days of its receipt of said invoice. In the event of any disagreement, the parties shall engage in the negotiation and arbitration processes set forth in the last paragraph of Section 3 hereof. Any rebates due LESSEE (not contested by LESSOR) shall, in LESSOR's reasonable discretion, be credited toward then current Rent. LESSOR shall provide copies of the relevant electric bills, and information regarding which spaces in the Building are not separately metered to other lessees and occupants, to LESSEE upon LESSEE's request.

LESSOR shall maintain an average temperature in the Building between 60 degrees Fahrenheit and 80 degrees Fahrenheit at all times; and an average temperature in the Leased Premises generally between 68 degrees Fahrenheit and 76 degree Fahrenheit during Normal Business Hours. LESSOR shall make available overtime heat and air-conditioning and LESSEE shall pay as additional rent, overtime heat and air-conditioning as may be requested by LESSEE for the Leased Premises on the basis of $ 150.00 per

zone, per hour (subject to increase by the same percentage amount by which the standard electric rates are increased), as billed by LESSOR. LESSEE shall give LESSOR twenty four (24) hours prior notice of any requirements for specialized overtime heating and air-conditioning. LESSOR shall not be liable to LESSEE for any interruption, interference, damage or loss to LESSEE's research or experimentation occasioned as a result of any failure in the heating, ventilation, air conditioning, or electrical services or other utilities servicing the Building or the Leased Premises not caused by LESSOR's negligence, willful misconduct, or failure to use reasonably diligent efforts to restore any service interruption within its reasonable control. No plumbing or electrical work which affects the base Building systems or which requires a municipal permit or which may interfere with any other tenant in the Building shall be done without LESSOR's approval which approval shall not be unreasonably withheld or delayed and the appropriate municipal permit and inspector's approval. Hot and cold water for domestic type sanitary and drinking purposes and ordinary office pantry purposes (only) shall be supplied at LESSOR's expense. There shall be separately metered and separately paid for by LESSEE, non-potable laboratory water and water for other particularized uses in the Leased Premises.

LESSOR shall also provide the following services in accordance with comparable first class research laboratory and office buildings in the mid-Cambridge submarket at no additional charge: (a) non-exclusive shared passenger and freight elevator service and loading dock service to the Leased Premises on a 24-hour basis, (b) base Building fire and life-safety systems; and (c) janitorial and cleaning service to common lavatories and common areas.

8. Compliance with Laws. LESSEE acknowledges that no trade, occupation, or activity shall be conducted in the Leased Premises or use made thereof which will be unlawful, improper, noisy or offensive, or contrary to any federal or state law or administrative regulations, or any municipal ordinance or regulations in force at any time in Cambridge. LESSEE shall keep all employees working in the Leased Premises covered with Worker's Compensation Insurance, as applicable. Specifically, LESSEE shall be responsible for causing the Premises and any work conducted therein to be in full compliance with the Occupational Safety and Health Act of 1970 and any amendments thereto. LESSEE shall strictly adhere to any and all federal, state, and municipal laws, ordinances, and regulations governing the use of LESSEE's laboratory scientific experimentation. LESSEE shall be solely responsible for procuring and complying at all times with any and all necessary permits directly relating or incident to: the conduct of its office and research activities on the Premises; its scientific experimentation; transportation; storage; handling; use and disposal of any low level radioactive or bacteriological or pathological substances or organisms or other hazardous wastes or environmentally dangerous substances or materials. LESSOR agrees to cooperate (with no direct or indirect costs or expenses, or increase in any liability whatsoever, to LESSOR) with LESSEE's reasonable efforts to obtain and maintain in force and effect all such permits. LESSEE shall promptly give notice to LESSOR of any warnings or violations relative to the above received from any federal, state, or municipal agency or

by any Court of Law, and shall promptly cure the conditions causing any such violations; and LESSOR shall permit LESSEE to cure said harm or hazard prior to any active intervention by LESSOR, except where such intervention is necessitated by the emergency nature of the harm or hazard; or where the harm or hazard impairs the value of the Building (directly or as collateral on any debt); interferes with any other tenant's rights; or is required by any governmental agency or authority.

Throughout the Term, LESSOR shall cause the base Building (including common areas and lavatories) to comply with all applicable laws, governmental rules and regulations.

LESSEE shall fully indemnify and hold harmless in all respects LESSOR from any and all claims, demands, losses, liabilities, and damages (including all necessary and reasonable expenses for contractors, consultants, environmental engineers, attorneys, and other professionals utilized by LESSOR to evaluate and remediate any hazard or harm which LESSEE has failed to cure; and further including any and all fines or fees assessed by any governmental agency relative to any hazard or harm), directly arising from the conduct of its activities on the Leased Premises (especially relating to or involving hazardous substances), or LESSEE's obligations and responsibilities as set forth above and herein, and excepting liability for any claims and damages resulting from the acts or negligence of LESSOR or its agents or employees.

LESSOR shall fully indemnify and hold harmless in all respects LESSEE from any and all claims, demands, losses, liabilities, and damages (including all necessary and reasonable expenses for contractors, consultants, environmental engineers, attorneys, and other professionals utilized by LESSOR to evaluate and remediate any hazard or harm which LESSOR has failed to cure; and further including any and all fines or fees assessed by any governmental agency relative to any hazard or harm), directly arising from the negligence of LESSOR or LESSOR's breach of its obligations under this Lease, and excepting liability for any claims and damages resulting from the acts or negligence of LESSEE or its agents or employees.

9. Fire and General Insurance Requirements. LESSEE shall not permit any use of the Leased Premises which will make voidable, increase any premium (unless LESSEE agrees to pay such increase), or decrease any insurance on the Building and property of which the Leased Premises are a part, or on the contents of said Building, or which shall be contrary to any law, regulation, or order from time to time to established or issued by the local Fire Department, or any similar body, or any restriction contained in any of LESSOR's insurance policies as to the Building and property of which LESSEE has been notified. LESSEE shall, within 30 days after demand accompanied by reasonable evidence, reimburse LESSOR, all extra insurance premiums caused by LESSEE's use of the Leased Premises for other than standard office purposes. LESSOR shall insure the Building on a replacement cost basis and maintain a policy of commercial liability insurance, all in manner consistent with owners of comparable first class research laboratory and office buildings in the mid-Cambridge submarket. Each party hereby waives any right of recovery against the other for injury or loss covered by insurance

maintained or required to be maintained by such party to the extent of the injury or loss covered and paid by the applicable insurance company (or, if such party failed to maintain the insurance required hereunder, which would have been paid by the applicable insurance company if such party had maintained such insurance).

10. Maintenance of Leased Premises. LESSOR shall be responsible for all structural maintenance of the Leased Premises including without limitation the roof of the Building of which the Leased Premises are a part and for the normal maintenance, repair and replacement of all LESSOR's heating and cooling equipment, doors, locks, plumbing, and electrical wiring and base Building electrical and mechanical equipment, elevators, base Building fire and life-safety systems, common areas and lavatories, parking areas and walkways, all in accordance with standards applicable to comparable first class research laboratory and office buildings in the mid-Cambridge submarket, but specifically excluding damage caused by the careless, malicious, willful, or negligent acts of LESSEE, and chemical, water or corrosion damage from any source within the control of LESSEE. LESSEE agrees to maintain at its expense all other elements and components of the Leased Premises in the same condition as they are at the commencement of the Term or as they may be put in during the Term of this lease, normal wear and tear and damage by fire or casualty only excepted, and whenever necessary, *to* replace light bulbs (after the first six months of the Term), plate glass and other glass therein, acknowledging that the Leased Premises upon delivery are in good order and the light bulbs and glass whole. LESSEE will properly control or vent all solvents, degreasers, and the like and shall not cause the area surrounding the Leased Premises to be in anything other than a neat and clean condition, depositing all waste in appropriate receptacles. LESSEE shall not permit the Leased Premises to be overloaded, damaged, stripped or defaced, suffer any waste of the Leased Premises, nor keep any animals within the Leased Premises (except as otherwise expressly provided herein). Any maintenance which is the responsibility of LESSOR and which is necessitated by some specific aspect of LESSEE's willful acts or negligent use of the Leased Premises shall be at LESSEE's expense. All maintenance provided by LESSOR shall be performed as reasonably required at LESSOR's discretion and, except for emergencies, during LESSOR's normal business hours (unless the same shall materially interfere with the operation of LESSEE'S business, in which case during reasonable times that will minimize interference). LESSEE may not keep any animals on the Leased Premises without prior written notice to and approval from LESSOR in each instance, which approval may be denied or conditioned in LESSOR's reasonable discretion. LESSEE shall be solely responsible for maintenance and operation of any and all of its systems installed or servicing the Leased Premises, and shall waive any and all claims against LESSOR and other tenants in the Building for any damage, impairment, or loss relative to these systems unless caused by the acts or negligent or reckless acts of those persons. Specifically, LESSEE shall maintain, at its sole expense, and pay all charges for electrical service and use of, the following: (a) LESSEE's customized "cold room" or "warm room" (if any) and all equipment associated with its operation; and, (b) backflow preventers; (c) acid neutralization chip tanks; and (d) any other specialized equipment or mechanical systems servicing the Leased Premises.

If for any reason the LESSEE vacates the Leased Premises or intends the same to be unoccupied other than during LESSEE's customary non-business days or hours, LESSEE shall be responsible to maintain active oversight and control over the Leased Premises by a qualified individual or entity who will physically monitor the same on a daily basis to ensure safety and security therein.

11. Lessee's Alterations to Leased Premises — Condition at Lessor's Delivery — Lessee's Construction Allowance. LESSEE shall not make structural alterations or additions of any kind to the Leased Premises, but may make nonstructural alterations provided LESSOR consents thereto in writing, said consent not to be unreasonably withheld or delayed. Except with respect to decorative work (such a painting and carpeting) for which a building permit is not required, plans and specifications shall be submitted by LESSEE to LESSOR in each instance, in advance of any proposed work, in sufficient detail and scope to enable LESSOR to make a reasonable determination thereon. LESSOR shall not charge LESSEE for any supervisory, management or other fees of its own staff (but may charge LESSEE for any reasonable fees required from third party engineers deemed necessary by LESSOR in order to fully review and approve LESSEE's work). All such allowed alterations shall be at LESSEE's expense and shall be in quality at least equal to the present construction. If LESSOR performs any requested services for LESSEE in connection with such alterations or otherwise, any invoice therefor will be promptly paid. LESSEE shall be responsible to use such contractors as will ensure harmonious labor relations in the Building and on the site; and to prevent strikes, work stoppages, picketing and other labor actions. LESSEE shall provide LESSOR with reasonably acceptable general liability and builder's risk insurance certificates naming LESSOR and its lender as additional insureds prior to the commencement of any work by LESSEE. LESSEE shall not permit any mechanics liens, or similar liens, to remain upon the Leased Premises in connection with work of any character performed or claimed to have been performed at the direction of LESSEE and shall cause any such lien to be released, removed or bonded forthwith without cost to LESSOR. Window blinds or other window treatment shall be building standard unless LESSOR expressly agrees otherwise. LESSOR shall have the right at any time to change the arrangement of parking areas, stairs, walkways or other common areas of the Building of which the Leased Premises are a part, provided such changes do not interfere with LESSEE's use or access to such areas and facilities. To the extent any work by LESSEE necessitates a building permit and occupancy permit, then LESSEE shall be responsible to procure the same at its sole cost and expense.

Notwithstanding the foregoing, prior to the commencement of the Term hereof LESSOR shall, at its sole cost and expense, deliver the Leased Premises to the LESSEE on the Commencement Date as set forth in Section 32 hereof, in an "AS/IS" condition in all respects; but nevertheless such that:

(i) the Leased Premises conforms to LESSOR's standard Building specifications with all base building systems in good working condition and suitable for general laboratory uses;

(ii) the base Building (including common areas and lavatories) is ADA compliant;

(iii) the Leased Premises is ADA compliant, and with code compliant demising walls and common area corridors;

(iv) the common area corridor on the second (2nd) floor has been freshly painted;

(v) the common area corridor carpeting has been freshly professionally cleaned;

(vi) all servers, equipment, wires/conduits of other tenants and occupants in the currently shared two "tel/data rooms" within the Leased Premises shown on the Lease Plan shall be relocated such that only LESSEE's servers, equipment, tel/data wires, cables, conduits and connections are located therein;

(vii) the "electric room" in the Leased Premises is reconfigured such that the only electrical boxes and panels therein shall serve the Leased Premises and no other tenants shall have access thereto; and,

(viii) the current area providing access for shared use to the vacuum, compressed air and containered gas facilities shall be configured such that LESSEE shall have access thereto during the Term (and shall concomitantly permit access thereto to other tenants on the floor using such facilities), for use based on separate use and cost sharing agreements to be agreed to by LESSEE and said tenants (the existence or terms of such use and cost sharing agreements to be wholly independent and separate obligations, not part of LESSOR's obligations in any fashion under this Lease). To the extent there are no tenants other than LESSEE utilizing this area, then the LESSOR and LESSEE shall equally divide the cost of the reasonable maintenance and repair of this area and the equipment located therein including without limitation, replcement of the equipment if necessary (but neither party shall be responsible for any maintenance or repair arising from the negligence or willful misconduct of the other party), but the cost of the compressed air and gas utilized, and utilities serving this area and the equipment therein shall be borne solely by the LESSEE). In marketing other space on floor, LESSOR shall inform prospective tenants of the requirement to share costs of this area and equipment with LESSEE in order to have the use of such facilities.

LESSEE may make alterations to the Premises, inclusive of installing and equipping the Premises for laboratory and research use, commencing upon LESSOR's approval of LESSEE's plans and specifications as contemplated above (herein, "LESSEE's Build-Out"). LESSEE's customized improvements to the Leased Premises, including without limitation all laboratory equipment (and including but not limited to hoods, vacuum pumps, and RODI water system(s)) shall be provided and installed at LESSEE's sole cost and expense.

LESSEE shall be entitled to reimbursement from LESSOR for a portion of LESSEE's costs and expenses incurred in the construction of LESSEE's Approved Build-Out (as defined below) as follows, provided the following conditions are met:

(i) LESSOR has approved all LESSEE's plans and specifications for LESSEE's Build-Out (including approval of LESSEE's contractor, which shall not be unreasonably withheld or delayed), (the "Approved Build-Out");

(ii) all permits and government approvals necessary for construction within and affecting the Leased Premises, per plans and specifications for the "Approved Build-Out" and for the operation of LESSEE's business therefrom (including but not limited to a

Certificate of Occupancy therefor, if applicable), have issued (and LESSOR agrees to cooperate with LESSEE in connection with obtaining same); and

(iii) there has been substantial completion of the LESSEE's Approved Build-Out;

(items (i) – (iii) being referred to herein as the "Construction Allowance Conditions").

LESSEE's allowance for construction and LESSOR's reimbursement thereof shall be up to Sixty Eight Thousand Four Hundred Sixty Six ($ 68,466.00) Dollars (the "Construction Allowance") of the sums are attributable to work in place and complete on the Leased Premises under the Approved Build-Out (i.e. costs and expenses actually incurred by LESSEE for labor and materials ("hard costs"), architectural and engineering services, project management services and wiring and cabling. LESSEE's Construction Allowance shall be paid by LESSOR thirty (30) days after written requisition(s) by LESSEE (but not sooner than the Commencement Date) provided all the following requirements have been met: (a) the Construction Allowance Conditions have been satisfied; (b) a written requisition (or successive requisitions as the case may be based on the progress of LESSEE's work on its LESSEE's Approved Build-Out) has been submitted to LESSOR, in such detail and form as is reasonably acceptable to LESSOR; (c) all liens and notices of contract have been waived or released in writing (of record, if necessary) by all contractors and subcontractors working on LESSEE's Approved Build-Out, with copies delivered to LESSOR; and (d) LESSEE is not in default under this Lease as of the date of payment of such requisition. Notwithstanding the LESSOR's

contribution of the Construction Allowance toward LESSEE's Build Out, LESSEE shall be solely responsible for completion of LESSEE's Build Out such that it conforms with all applicable building and zoning codes, ordinances and regulations.

12. Assignment and Subletting. LESSEE covenants and agrees that neither this Lease nor the Term and estate hereby granted, nor any interest therein will be assigned, mortgaged, pledged, encumbered or otherwise transferred, and that neither the Leased Premises, nor any part thereof, will be encumbered in any manner by reason or by act or omission of LESSEE, or used or occupied, or permitted to be used or occupied, by anyone other than LESSEE, its servants, agents and employees, or for any use or purpose other than as above stated, or be sublet, or offered or advertised for sub-letting, without in each case LESSOR's prior written consent, which shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, LESSOR's prior written consent shall not be required for any assignment or sublet to an entity which owns or controls LESSEEE, or is owned or controlled by LESSEE, or is under common ownership or control with LESSEE, or any entity succeeding to LESSEE as a direct result of a merger or consolidation or asset or stock transfer ("Permitted Transfer").

The grounds upon which LESSOR may reasonably withhold its consent are as follows:

(i) The prospective assignee's or sublessee's intended use of the Premises is not a permitted use under or will not conform with the restrictions set forth in Section 6 of the Lease; or,

(ii) The nature, character, class and standards of the prospective assignee's or sublessee's business will not be consistent with those of other lessees in the Building; or,

(iii) The financial strength and reliability of a prospective assignee is not sufficient, in LESSOR's reasonable business judgment, to meet all of LESSEE's obligations to be performed as of and from the date of said assignment. The prospective assignee must produce to LESSOR's accountants a verified and current audited financial statement, (or if none has been prepared by said prospective assignee within the past three years, a CPA or CFO certified current financial statement); or,

(iv) The operations of the prospective assignee or sub-lessee will violate any exclusive or other rights given any other lessees in the Building; or,

(v) The failure of LESSOR's institutional mortgage lender(s) to consent, if required by the terms of the mortgage (LESSOR to use diligent efforts to request such consent).

LESSOR, in addition to Annual Base Rent and all Additional Rent hereunder, shall be entitled to fifty (50%) percent of the amount of any and all sums assessed or collected by LESSEE, in whatever form, attributable arising out of any permitted subletting or

assignment (after deduction for reasonable and actual brokerage commissions and marketing costs, and attorneys' fees, associated with the transaction) which exceed said Annual Base Rent or Additional Rent hereunder, (herein, "Rent Mark-Up").

Notwithstanding LESSOR's consent to the assignment or subletting, as contemplated above, LESSEE shall remain primarily liable to LESSOR for the payment of all Rent and for the full performance of the covenants and conditions of this Lease; and LESSOR may (immediately in the case of an assignment, or in the case of a sublease, after default by LESSEE after notice and expiration of any applicable cure period) collect all sums due as Rent directly from the assignee/subtenant.

Notwithstanding the foregoing, in the event that LESSEE desires to assign this Lease (other than a Permitted Transfer) or sublet the Premises or any portion thereof (other than a Permitted Transfer), it shall be in each instance notify the LESSOR in writing, stating the intended effective date of the proposed sublet (which shall not be less than 30 days from the date of said notice to LESSOR). LESSOR shall have a period of 30 days from the date it receives such notice to exercise an election to take back the Premises or applicable portion thereof, in LESSOR's sole discretion and without any obligation to so elect, whatsoever, notwithstanding the circumstances, and without prejudice to or waiver of any of LESSOR's rights or LESSEE's continuing obligations hereunder (except as hereinafter provided). LESSEE shall identify to LESSOR the space proposed to be sublet (if less than all of the Premises) and the term of the proposed sublease (if less than the entire remaining term). If LESSOR elects to take back the Premises or such portion, it shall send written notice thereof to LESSEE within such 30-day period, time of the essence; and LESSEE shall be irrevocably bound to surrender and vacate the Premises or such portion thereof as if the Term of the Lease had expired on the date set forth in the LESSEE's initial notice to LESSOR; and provided LESSEE vacates and surrenders on said date, without being in default of any provision hereof as of said date, this Lease shall be null and void and without recourse to either party hereto with respect to such space (but for terms and conditions contemplated herein to survive termination of this Lease) and, if such take back is for less than the entire Premises, the Rent and Tenant's

Allocable Percentage hereunder shall be adjusted pro-rata. LESSEE shall not be entitled to any payments, commissions, credits, offsets, or any kind or nature arising from said sublet, nor shall any individual or entity acting by, through, or under LESSEE be so entitled. Once an election is made by LESSOR, LESSEE shall be subject to the penalties for holding over set forth in this Lease, if it fails to vacate and surrender the Premises or applicable portion thereof by the date stated in the notice, or if it fails to discharge (or cause its lenders or others with which LESSEE has dealt to discharge) any and all liens or other encumbrances, notices, or restrictions on its leasehold or contractual interest in and to the Premises or applicable portion thereof as of said date. Nothing in this paragraph shall require LESSOR to make an election to take back the Premises or applicable portion thereof, and nothing in the aforesaid process shall relieve LESSEE of its liability under this Lease should LESSOR elect not to take back the Premises or applicable portion thereof.

13. Subordination. This Lease shall be subject and subordinate to any and all instruments of record, mortgages, and other instruments in the nature of a mortgage, extant or coming into existence at any time hereafter, and LESSEE shall, when requested, promptly within fifteen (15) days of request, execute and deliver such reasonable written instruments (on LESSOR's lender's form) as shall be reasonably necessary to show the subordination of this lease to said instruments of record, mortgages, or other such instruments in the nature of a mortgage; and LESSOR shall use best efforts to ensure that the holders of such mortgages provide LESSEE with non-disturbance agreements recognizing the rights of LESSEE under this Lease.

14. Lessor's Access to Leased Premises. LESSOR or agents of LESSOR may at reasonable times and upon reasonable notice where possible enter to view the Leased Premises and may remove any signs not approved and affixed as herein provided, and may make repairs as LESSOR is required to do and repairs which LESSEE is required but has failed to do (but only after notice and an opportunity to repair being provided to LESSEE), and may show the Leased Premises to prospective mortgagees, appraisers, brokers, and others and, during the final year of the Term, to prospective tenants. Additionally, to the extent necessary to service other portions of the Premises or the common areas or other tenant spaces in the building; LESSOR may add, relocate, or maintain a chase, pipes, conduits, or ducts, within the Premises provided the aforesaid do not materially interfere with LESSEE's use of the Premises or its aesthetics or reduce the size of the Premises. Any entry by LESSOR onto the Premises for this purpose shall be done in such manner as to minimally interfere with the business conducted thereon by LESSEE, and undertaken with reasonable steps to protect LESSEE's property.

15. Snow Removal. LESSOR will be responsible for the removal or other treatment of snow and ice on walkways, sidewalks, entryways and parking areas. Notwithstanding the foregoing, however, LESSEE shall hold LESSOR harmless from any and all claims by LESSEE's agents, representatives, employees or business invitees for damage or personal injury resulting in any way from snow or ice on any area serving the Building, provided LESSOR has performed this obligation absent LESSOR's gross negligence or willful misconduct.

16. Access and Parking. LESSEE shall be granted, at current rates (which may be increased from time to time to reflect market increases), the right to park up to seventeen (17) cars in the Building's on-site indoor parking lot or facility on an unassigned and unreserved basis, in single or tandem spaces or on a valet basis which LESSOR in its sole discretion shall designate from time to time. The initial parking rate therefor shall be $ 210 per month, per car, which monthly rate may be changed by LESSOR in its discretion subject to and reflective of periodic market changes. All payments for these parking rights shall be considered to be Additional Rent under this Lease. Additionally, LESSEE shall be entitled to rights to park up to an additional six (6) cars (i.e. totalling up to twenty three (23) parking spaces (the "Additional Spaces") in the Building garage (but only on a valet basis, and only to the extent LESSOR is providing valet service to the Building garage, which LESSOR shall not be obligated to do), at then current rates as set

by LESSOR in its discretion. To the extent available and not required by other tenants, and even though valet service has not been instituted by LESSOR, LESSOR shall also make some or all of the Additional Spaces available to LESSEE upon LESSEE's request at the then current rates on a month to month basis until required by said other tenants in LESSOR's sole discretion. The Building garage, plus any stairs, walkways or other means of ingress or egress controlled by the LESSOR shall not in any case be considered extensions of the Leased Premises. LESSEE will not obstruct in any manner any portion of the Building or the walkways or approaches to the Building, and will conform to all reasonable and non-discriminatory rules now or hereafter made by LESSOR for parking, and for the access and egress, security, care, use, or alteration of the Building garage, its facilities and approaches. LESSEE further warrants that LESSEE will not permit any employee or visitor to violate this or any other covenant or obligation to LESSEE. No vehicles shall be stored or left in any parking area for more than (3) nights without LESSOR's written approval. Unregistered or disabled vehicles, or storage trailers of any type, may not be parked overnight at any time. LESSEE agrees to assume all expense and risk for the towing of any misparked vehicle belonging to LESSEE or LESSEE's agents, employees, business invitees, or callers, at any time. For the purpose of this section the term "space" shall mean general access for one motor vehicle. All vehicles shall be parked and left on the premises at their owners' sole risk and LESSOR shall not be liable for any damages caused to said vehicles while they are parked or left on the premises, except to the extent due to LESSOR's negligence or willful misconduct.

17. Lessee's Liability Insurance. LESSEE shall be solely responsible as between LESSOR and LESSEE for deaths or personal injuries to all persons whomsoever occurring in or on the Leased Premises from whatever cause arising, (unless caused by the negligent acts or omissions of LESSOR), and damage to property to whomsoever belonging arising out of the use, control, condition or occupation of the Leased Premises by LESSEE; and LESSEE agrees to indemnify and save harmless LESSOR from any and all liability, reasonable expenses, damage, causes of action, suits, claims or judgments caused by or in any way growing out of any matters aforesaid. LESSEE will secure and carry at its own expense a comprehensive general liability policy insuring LESSEE, LESSOR (and its lenders and any other entity reasonably requested by LESSOR) against any claims based on bodily injury (including death) arising out of the condition of the Leased Premises or their use by LESSEE, such policy to insure LESSEE, LESSOR and said other entities against any claim up to Three Million ($3,000,000.00) Dollars per occurrence for personal injury or damage to property. LESSOR and its lenders shall be included in such policy as additional insureds. LESSEE will promptly file with LESSOR certificates showing that such insurance is in force, and thereafter will file renewal certificates prior to the expiration of any such policies. All such insurance certificates shall provide that such policies shall not be canceled without at least thirty (30) days prior written notice to each insured named therein.

18. Fire, Casualty, Eminent Domain. Should a substantial portion of the Leased Premises, or of the property of which they are a part, be substantially damaged by fire or other casualty, or be taken by eminent domain, a just and proportionate abatement of rent

shall be made, and LESSOR may elect to terminate this Lease by written notice given within sixty (60) days of the fire, casualty or taking, in which case this Lease shall terminate as of the date of such fire, casualty or taking. When such fire, casualty, or taking renders the Leased Premises substantially unsuitable for

LESSEE's use, a just and proportionate abatement of rent shall be made, and LESSEE may elect to terminate this Lease if: (a) LESSOR fails to give written notice within sixty (60) days of intention to restore Leased Premises, or (b) LESSOR fails to restore the Leased Premises to a condition substantially suitable for LESSEE's use within one hundred eighty (180) days of said fire, casualty or taking, or (c) Leased Premises cannot reasonably be anticipated to be restored to a condition substantially suitable for LESSEE's use within one hundred eighty (180) days of said fire, casualty or taking. If any portion of the Leased Premises are damaged by fire or other casualty or taken by eminent domain and no termination has been elected, a just and proportionate abatement of rent shall be made, and LESSOR shall proceed with diligence to restore the Leased Premises. LESSOR reserves all rights for all damages or injury to the Leased Premises for any taking by eminent domain; except for damage to LESSEE's moveable fixtures, property or equipment, or moving expenses, which are specifically allocated to LESSEE by the taking authority or arbitrators.

19. Brokerage. LESSEE and LESSOR each warrants and represents to the other that they have dealt with no broker or third person with respect to this Lease or the Leased Premises or Building entitled to a commission as a result of this Lease, other than Richards Barry Joyce & Partners, whose fee shall be paid by LESSOR pursuant to a separate written agreement; and LESSOR and LESSEE each agree to indemnify and hold harmless the other from any fees, expenses, or damages arising from breach of the above warranty.

20. Signage. LESSEE shall have the right, at LESSOR's expense, to have its name included in any central directory in the Building's lobby maintained by LESSOR listing the Building's other tenants. LESSOR authorizes LESSEE, if desired, to display one sign on LESSEE's office entrance door (at LESSEE's expense) consistent with similar signs of other tenants. LESSEE shall obtain the written consent of LESSOR before erecting any sign on the Leased Premises visible from outside the Leased Premises, which consent may be conditioned on compliance with LESSOR's requests as to size, wording, and location of such signs, but which shall not be unreasonably withheld or delayed.

21. Default. In the event that: (a) LESSEE shall default in the payment of the security deposit or any installment of Annual Base Rent of any Additional Rent, and such default shall continue for five (5) business days after written notice thereof; or (b) LESSEE shall default in the observance or performance of any other of LESSEE's covenants, agreements, or obligations hereunder and such default shall not be corrected within thirty (30) days after written notice thereof or within such longer time as may be reasonably necessary provided LESSEE commences to cure within such 30-day period and diligently pursues such cure to completion; (c) LESSEE shall be declared bankrupt or insolvent according to law, or if any voluntary or involuntary petition for bankruptcy is filed against LESSEE and not discharged within sixty (60) days from filing; or if any

assignment shall be made of LESSEE's property for the benefit of creditors; then, while such default continues, and without demand or further notice, LESSOR shall have the right to re-enter and take complete possession of the Leased Premises, to declare the term of this Lease ended, and to remove LESSEE's effects, without being guilty of any manner of trespass and without prejudice to any remedies which might be otherwise used for arrears of rent and other default of breach of covenant. LESSEE shall indemnify LESSOR against all loss of Rent and other payments which LESSOR may incur by reason of such termination during the remainder of the term, it being expressly understood that LESSOR shall use reasonable efforts to relet the Leased Premises and collect all rents from such reletting. If LESSEE shall default, after reasonable notice thereof, in the observance or performance of any conditions or covenants on LESSEE's part to be observed or performed under or by virtue of any one of the provisions in any section of this Lease, LESSOR, without being under any obligation to do so and without thereby waiving such default, may after the expiration of any applicable cure period, remedy same for the account and at the expense of LESSEE, (including but not limited to application of any or all of the Security Deposit held by LESSOR). If LESSOR pays or incurs any obligations for the payment of money in connection therewith, including but not limited to reasonable attorney's fees in instituting, prosecuting or defending any action or proceeding, such sums paid or obligations incurred, with interest at the rate of eighteen (18%) percent per annum and costs, shall be paid to LESSOR by LESSEE as additional rent. Upon default of this Lease by LESSEE, and because the payment of Rent in monthly installments is for the sole convenience of the LESSEE, the entire balance of the Rent which would accrue hereunder shall at the option of the LESSOR become immediately due and payable. The foregoing shall be subject to LESSOR's agreement to take reasonable steps to mitigate its damages (in which case the LESSOR shall repay to LESSEE the mitigated amount against the accelerated Rent paid by LESSEE), but such mitigation shall not be construed to require LESSOR to lease to any substitute tenant: (a) at any Rent that is less than the lower of: (i) the Rent that is set forth in this Lease, or (ii) the Rent for comparable space in the Building being marketed by LESSOR as of the date of the default; (b) for a Term that is less than the remaining balance of the Term of the Lease; (c) on any terms or conditions that are materially less favorable to LESSOR than those set forth in the Lease; or (d) if such substitute tenant is reasonably objectionable to the LESSOR. Notwithstanding the foregoing, LESSEE agrees to pay reasonable attorney's fees incurred by LESSOR in enforcing any or all obligations of LESSEE under this Lease at any time.

22. Notices. Any notice from LESSOR to LESSEE relating to the Leased Premises or to the occupancy thereof shall be deemed duly served if delivered to the Leased Premises or LESSEE's last designated address by reputable overnight courier with receipt acknowledged, or by certified mail, return receipt requested, postage prepaid, addressed to LESSEE. Any notice from LESSEE to LESSOR relating to the Leased Premises or to the occupancy thereof shall be deemed duly served if delivered to LESSOR by reputable overnight courier with receipt acknowledged, or by certified mail, return receipt requested, postage prepaid, addressed to: Rivertech Associates II, LLC 575 Boylston Street, Boston, Massachusetts 02116 or at LESSOR's last designated address. Notices

shall be deemed given upon the date of actual delivery or refusal to accept delivery. Time is of the essence in delivery of any notice, and the performance of any obligations relating thereto.

23. Lessee's Occupancy. In the event that LESSEE remains in any part of the Leased Premises after the agreed termination date of this Lease without the written permission of LESSOR, then all other terms of this Lease shall continue to apply, except that LESSEE shall be liable to LESSOR for any direct loss, damages or expenses incurred by LESSOR (but not consequential damages), and all Annual Base Rent and other Rent shall be due in full monthly installments at a rate of two hundred fifty (250%) percent of that which would otherwise be due under this Lease, it being understood between the parties that such extended occupancy as a tenant at sufferance is solely for the benefit and convenience of LESSEE.

24. Rules and Regulations. LESSEE and LESSEE's servants, employees, agents, invitees and licensees shall observe faithfully and comply strictly with such reasonable and non-discriminatory rules and regulations governing the use of the Building and site and all common areas as LESSOR may from time to time, adopt and of which LESSEE has been notified.

25. Outside Area Limitations. No goods or things of any type or description shall be held or stored outside the Leased Premises at any time without the express written approval of LESSOR, except bicycles which shall be stored only in the bicycle rack to be provided by LESSOR.

26. Environmental Compliance. LESSEE will so conduct and operate the Leased Premises as not to interfere in any way with the use and enjoyment of other portions of the same or neighboring buildings by others, by reason of offensive odors, smells, noise, accumulation of garbage or trash, vermin or other pests or otherwise and will, at its expense, employ a professional pest control service if necessary as a result of LESSEE's operations. LESSEE agrees to maintain efficient and effective device for preventing damage to heating equipment from harmful solvents, degreasers, cutting oils, and the like, which may be used within the premises. No hazardous wastes, radioactive materials or chemical or harmful biological agents or materials of any sort shall be stored or allowed to remain within the Leased Premises at any time, without LESSOR's prior notice and consent, which consent shall not be unreasonably withheld or delayed. LESSOR hereby expressly approves LESSEE's storage and use of the chemicals and materials listed on Exhibit D attached hereto in the Leased Premises.

Prior vacating the Leased Premises at the end of the Term (or any applicable extension), or sooner in the event of a default hereunder, LESSEE at its sole cost and expense shall provide LESSOR with an environmental audit by a qualified environmental engineering firm reasonably satisfactory to LESSOR. The aforesaid environmental audit shall affirmatively certify that the Leased Premises are free from any and all contaminants, pollutants, radioactive materials, hazardous wastes or materials, bacteriological agents or

organisms which would render the Leased Premises in violation of G.L.c.21E, CERCLA, or SARA, or any regulations, from time to time. LESSEE shall be responsible to LESSOR (and any Lenders to the Building) for any and all environmental hazards or conditions which did not appear on the environmental audit provided to LESSOR by the LESSEE, and which preclude or condition the foregoing affirmative certification due from LESSEE as contemplated above, to the extent said hazards or conditions are reasonably attributable to LESSEE's activities and use of their space.

LESSOR represents and warrants that to the best of LESSOR's knowledge LESSOR has not received any current outstanding notices that the Building and all tenants of the Building are not in compliance with all applicable environmental laws, rules and regulations.

27. Responsibility. Except to the extent due to LESSOR's negligence or willful misconduct, LESSOR shall not be held liable to anyone for loss or damage caused in any way by the use, leakage or escape of water or for cessation of any service rendered customarily to said Leased Premises or buildings or agreed to by the terms of this Lease, due to any accident, to the making of repairs, alterations or improvements, to labor difficulties, weather conditions, or mechanical breakdowns, to trouble or scarcity in obtaining fuel, electricity, service or supplies from the sources from which they are usually obtained for said building, or to any cause beyond the LESSOR's immediate control. In the event there is an interruption of either services or any other event within LESSOR's control which materially interferes with LESSEE's use and enjoyment of the Leased Premises (in whole or in substantial part) and which interruption continues uninterrupted for more than five (5) business days, then Rent shall be proportionately abated until use is restored.

28. Surrender. LESSEE shall at the expiration or other termination of this Lease remove all of LESSEE's goods and effects from the Leased Premises. LESSEE shall deliver to LESSOR the Leased Premises and all keys, locks, thereto, and other built-in fixtures and built-in equipment connected therewith, and all alterations, additions and improvements made to or upon the Leased Premises, including but not limited to any offices, partitions, cold room, plumbing and plumbing fixtures, air conditioning equipment and ductwork of any type, exhaust fans or heaters, built-in water coolers, burglar alarms, telephone wiring, wooden or metal shelving which has been bolted, welded or otherwise attached to any concrete or steel, member of the Building, compressors, air or gas distribution piping, cabinetry, overhead cranes, hoists, trolleys or conveyors, counters or signs attached to walls or floors, and all electrical work, including but not limited to lighting fixtures of any type, wiring, conduit, EMT, distribution panels, bus ducts, raceways, outlets and disconnects, and excluding the compressors, and any built-in component work stations that LESSEE may install during the term, LESSEE shall deliver the Leased Premises reasonable wear and tear and damage by fire or other casualty only excepted. In the event of LESSEE's failure to remove any of LESSEE's property from the premises, LESSOR is hereby authorized, without liability to LESSEE for loss or damage thereto and at the sole risk of LESSEE to remove and store any such

property at LESSEE's expense, or to retain same under LESSOR's control or to sell at public or private sale, without notice, any or all of the property not so removed and to apply the net proceeds of such sale to the payment of any sum due hereunder, or to destroy such property which shall be conclusively deemed to have been abandoned.

29. Quiet Enjoyment. So long as LESSEE keeps, observes and performs each of the terms herein contained on the part of LESSEE to be kept, observed and performed, LESSEE shall quietly enjoy the Leased Premises without hindrance or molestation by LESSOR or any parties claiming through LESSOR.

30. Miscellaneous Provisions. The invalidity or unenforceability of any provision of this Lease shall not affect or render invalid or unenforceable any other provision hereof. The obligations of this Lease shall run with the land, and this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that LESSOR shall be liable only for obligations occurring as of the beginning of the term of this lease, or thereafter while LESSOR of the Leased Premises. The obligations of LESSOR and LESSEE shall not be binding upon any director, officer, shareholder, partner, Trustee or beneficiary of LESSOR or LESSEE. Notwithstanding the definition herein of "Commencement Date", "Termination Date", or "Term", or LESSOR's obligations to deliver the Premises, this Lease shall be binding and enforceable as against the parties hereto as of the date of its execution.

31. Waivers and Legal Limitations. No consent or waiver, express or implied, by LESSOR or LESSEE, to or of any other breach of the other party of any covenant, condition or duty of that party shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty. If LESSEE is several persons or a partnership, LESSEE's obligations are joint or partnership and also several. Unless repugnant to the context, "LESSOR" and "LESSEE" mean the person or persons, natural or corporate, named above as LESSOR and as LESSEE respectively, and their respective heirs, executors, administrators, successors and assigns.

32. Lessor's Delivery of the Leased Premises. The Leased Premises will comply with the conditions set forth in Section 11 hereof as of the Commencement Date, and, in addition, the Expansion Space will be vacant and in broom clean condition subject to the provisions of Section 1 hereof. Notwithstanding the Commencement Date as contemplated in Section 1 hereof, this Lease shall take effect and be binding upon the parties hereto as of its execution.

33. Option to Extend. LESSEE, provided it is not then in default after notice and the expiration of any applicable cure period, and further provided it shall not have defaulted beyond any applicable notice and cure period more than twice during the Lease Term, shall have an option to extend its tenancy as to the Leased Premises, on the terms and conditions herein, for one additional period of twenty four (24) months at the then current "Market Rent", (including annual escalations thereon for each year of the extended term if in accordance with then prevailing market forces), (herein, the "Extended Term"). Said

Extended Term shall commence, subject to proper exercise of LESSEE's option hereunder, time being of the essence, on July 1, 2012 and shall terminate on June 30, 2014.

LESSEE shall exercise its option by delivering to LESSOR its written notice not later than twelve (12) full months prior to the original Termination Date, time being of the essence in the delivery of said notice. Once delivered, written notice to extend is irrevocable.

"Market Rent" as used herein shall be that rent charged for comparable first class research laboratory and office space in the mid-Cambridge submarket as of the end of the original Term. If, after good faith attempts within sixty days after the notice to extend has been delivered by LESSEE the LESSOR and LESSEE cannot agree on a figure representing Market Rent, then either party, upon written notice to the other, may request arbitration of the issue as provided in this section. Within fourteen (14) days of the request for arbitration, each party shall submit to the other the name of one unrelated individual or entity with proven expertise in the leasing of commercial real estate in greater Boston/Cambridge to serve as that party's appraiser. Each appraiser shall be paid by the party selecting him or it. The two appraisers shall each submit their final reports to the parties within thirty (30) days of their selection. The two appraisers shall meet within the next fourteen (14) days to reconcile their reports and collaboratively determine the Market Rent. They shall make their determination in writing, including a statement if such is the case, that they are at an impasse. Such a statement of impasse shall be submitted to the parties along with the Market Rent figure which each appraiser has selected and his reasons and substantiation therefor. The appraisers, in case of an impasse, shall also agree on one unrelated individual or entity with expertise in commercial real estate in greater Boston, who shall evaluate the reports of the two original appraisers and within fourteen (14) days of submission of the issue to him, and make his own determination as to the figure representing Market Rent. The determination of this individual or entity (i.e. arbitrator) absent, fraud, bias or undue prejudice shall be binding upon the parties.

In no event shall "Market Rent" for the Extended Term be less than that figure payable by LESSEE during the last year of the Lease Term.

Annual Base Rent and Additional Rent during any Extended Term shall be payable in advance, in equal monthly installments on the first day of each calendar month.

34. Extended Term Additional Rent. LESSEE in addition to the sums payable annually to LESSOR as Annual Base Rent, shall pay to LESSOR for each year of any Extended Term, as Additional Rent, LESSEE's Allocable Percentage (as determined by the approximate total rentable space leased) for Operating Expenses, Real Estate Taxes and Utilities as contemplated in Sections 3, 4 and 7 hereof.

35. Right of First Offer — Contiguous Second Floor Space. LESSEE, provided it is not then in default after notice and the expiration of any applicable cure period, and further provided it shall not have defaulted beyond any applicable notice and cure period more than twice during the Lease Term, is hereby entitled to receive advance written notice from LESSOR during the Term of this Lease (as it may be extended) that certain contiguous space on the second (2nd) floor of the Building will be offered to third parties for leasing (the "ROFO Notice"), which ROFO Notice shall set forth the Rent and other economic terms at which such space will be so offered.

The contiguous space as to which LESSEE is entitled to a ROFO Notice is as follows:

(a) approximately 4,900 rentable square feet currently occupied by "Transmolecular" on the second floor of the Building (the "Transmolecular Space"), as shown on Exhibit A hereto; and,

(b) approximately 10,300 rentable square feet currently occupied on the second floor of the Building by Aileron (the "Aileron Space"), as shown on Exhibit A hereto.

LESSEE shall be entitled to receive a ROFO Notice and to exercise its ROFO Rights (as defined below) as follows:

(i) as to the Transmolecular Space, LESSEE shall be entitled to receive a ROFO Notice after December 1, 2009 and to exercise its ROFO Rights as set forth below, which exercise by LESSEE shall supersede: (x) any and all other rights given to any other tenant in the Building; and, (y) LESSOR's right to lease the Transmolecular Space to any third parties; and,

(ii) as to the Aileron Space, LESSEE shall be entitled to receive a ROFO Notice after December 1, 2009 and to exercise its ROFO Rights as set forth below, which exercise by LESSEE shall be pre-empted and superseded only by: (x) the exercise of any rights that may be given to Aileron (or its affiliates or subsidiaries), including rights to renew or extend its lease; or, (y) the exercise of any rights to such Space that may be given to the tenants in the Building who may then occupy equal or larger Premises; or, (z) LESSOR's right to lease the Aileron Space to any third parties in conjunction with any other space in the Building.

LESSOR shall be free to execute any lease for the Transmolecular Space and/or the Aileron Space with any third party prior to December 1, 2009.

LESSEE shall have the right, within thirty (30) days from the delivery of LESSOR's ROFO Notice, to elect to lease the Transmolecular Space or the Aileron Space, as applicable, at the Rent and other economic terms specified in LESSOR's notice and otherwise on the terms of this Lease for a lease term coterminous with the Term governing the Premises, or to negotiate with LESSOR and to execute a binding letter of

intent to lease said space at a Rent and on other terms and conditions mutually agreeable to LESSOR and LESSEE (the LESSEE's "ROFO Rights"). If LESSEE shall not elect to lease such space or if no binding letter of intent with alternate Rent and terms is executed by LESSOR and LESSEE during that thirty (30) day period, then LESSOR shall be free to market and lease the space offered by the ROFO Notice to any third party, in its sole discretion and without any continuing obligation to LESSEE under this Section 35 except as set forth below.

If LESSEE shall fail to elect to lease any space offered by the ROFO Notice as aforesaid, then notwithstanding anything to the contrary contained in the preceding paragraph LESSOR may thereafter lease such space to any third party at a Rent of not less than 90% of the Rent proposed to LESSEE in the applicable ROFO Notice; but if the proposed lease to any third party is less than 90% of the Rent proposed in the applicable ROFO Notice, then LESSOR shall be required to re-offer the space to LESSEE pursuant to this section.

Notwithstanding the foregoing, this Right of First Offer shall be subject to the existing rights of UCB Research, Inc. to lease the second (2nd) floor space contiguous to the Leased Premises.

Time is of the essence in the exercise of LESSEE's ROFO Rights as set forth above.

36. Estoppel Certificates. Upon not less than fifteen days prior written request by LESSOR, LESSEE shall execute, acknowledge and deliver to LESSOR a statement in writing certifying that this Lease is unmodified and in full force and effect and that LESSEE has at the time of such statement no defenses, offsets or counterclaims against its obligations to pay Annual Base Rent and Additional Rent and any other charges and to perform its other covenants under this Lease (or, if there have been any modifications that the same is in full force and effect as modified and stating the modifications and, if there are any defenses, offsets or counterclaims, setting them forth in reasonable detail), and the dates to which the Annual Base Rent and Additional Rent and other charges have been paid. Any such statement delivered pursuant to this Section may be relied upon by any prospective purchase or mortgagee of the Premises, or any prospective assignee of any such mortgagee or the LESSOR. Upon not less than fifteen days prior written request by LESSEE, LESSOR shall deliver a similar statement in writing to LESSEE, and any such statement may be relied upon by any prospective sublessee or assignee of this Lease.

37. Governing Law. This Lease constitutes the full and complete agreement between the parties shall be construed under and according to the laws of the Commonwealth of Massachusetts. Any provision of this Lease which is deemed void or unenforceable shall not invalidate or render void or unenforceable the entire Lease.

[Execution Pages Follow]

IN WITNESS WHEREOF, LESSOR AND LESSEE have hereunto set their hands and seals and intend to be legally bound hereby as of the date first written above.

LESSOR

RIVERTECH ASSOCIATES II, LLC
By Rivertech Associates II, Inc.,
its duly authorized Manager

By: /s/ Robert Epstein
Robert Epstein, President

LESSEE

MERSANA THERAPEUTICS, INC.

By: /s/ Julie Olson
Julie Olson, President

By: /s/ Peter Leone
Peter Leone, Treasurer

CLERK'S/SECRETARY'S CERTIFICATE

The undersigned hereby certifies (1) that the undersigned is the duly elected Clerk/Secretary of the corporation executing this Lease, (2) that the LESSEE's Board of Directors has duly decided as required by law and the LESSEE's governing documents that the LESSEE shall enter into this Lease and has duly empowered the person who executed this Lease to do so in the name of and on behalf of the LESSEE and (3) that the LESSEE's execution and performance of this Lease is consistent with and does not contravene or violate either of the law or the governing documents under which LESSEE is organized and operated or any agreement to which LESSEE is a party.

/s/ Peter Leone
Peter Leone, Secretary

Attach appropriate resolutions

INDENTURE OF LEASE

by and between

RIVERTECH ASSOCIATES II, LLC

("LESSOR")

and

MERSANA THERAPEUTICS, INC.

("LESSEE")

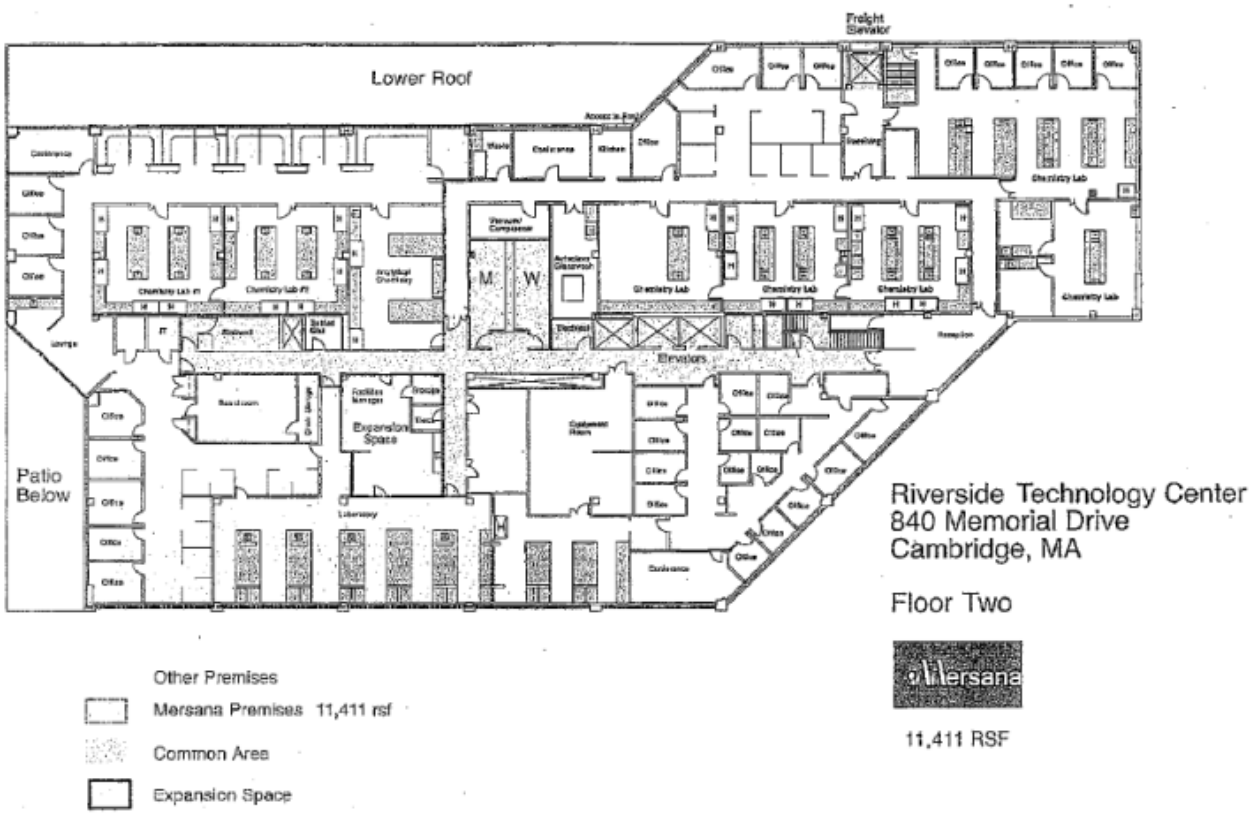
RIVERSIDE TECHNOLOGY CENTER

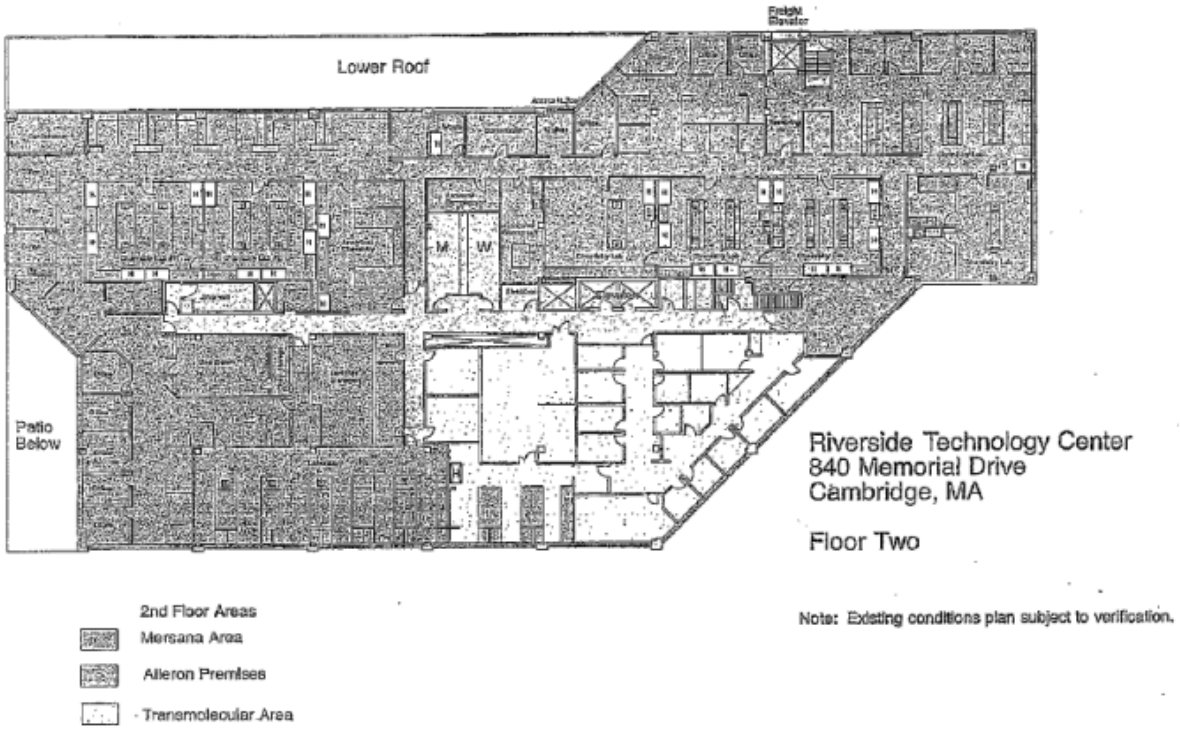
840 Memorial Drive
Cambridge, Massachusetts

LEASE EXHIBITS

RIVERSIDE TECHNOLOGY CENTER
LEASE EXHIBIT A - LEASE PLAN

See Lease Plan attached hereto





RIVERSIDE TECHNOLOGY CENTER
LEASE EXHIBIT B — OPERATING EXPENSES

See Operating Expense Schedule attached hereto

Operating Expenses 2007
840 Memorial Drive - Riverside Technology Center

DESCRIPTION	Total	PSF
HEAT	$ 31,187	$ 0.24
BUILDING ELECTRIC	$ 393,372	$ 3.05
WATER & SEWER	$ 31,851	$ 0.25
ELEVATOR MAINTENANCE	$ 12,833	$ 0.10
PARKING/CAFÉ EXPENSE	$ 31,433	$ 0.24
RUBBISH REMOVAL	$ 20,672	$ 0.16
INSURANCE	$ 40,244	$ 0.31
GROUNDS CARE	$ 12,277	$ 0.10
LEGAL/ACCT/ADMIN	$ 10,679	$ 0.08
JANITORIAL SERVICES	$ 45,844	$ 0.36
GENERAL MAINTENANCE	$ 61,325	$ 0.48
HVAC MAINTENANCE	$ 30,829	$ 0.24
LIFE SAFETY SYSTEMS	$ 67,510	$ 0.52
MANAGEMENT *	$ 304,278	$ 2.36
Total Operating Expenses	$ 1,094,334	$ 8.49
Real Estate Taxes (FY 2008)	$ 710,019	$ 5.51

* Based upon 5% of income

Tenant's Applicable Percentage is as follows:
As to the Leased Premises: 8.85%.

RIVERSIDE TECHNOLOGY CENTER
LEASE EXHIBIT C - LETTER OF CREDIT FORM

[Issuing Bank Letterhead]

STANDBY LETTER OF CREDIT NUMBER: [Insert #] Date: **[Insert Date]**

BENEFICIARY

RIVERTECH ASSOCIATES II, LLC
C/o The Abbey Group
575 Boylston Street 8th Floor
Boston, Massachusetts 02116

APPLICANT

[Insert Applicant's Name Address]

Gentlemen:

At the request and on the instructions of [**Insert Tenant Name**], we hereby issue our Irrevocable Letter of Credit in your favor in an amount not to exceed in the aggregate USD [**Insert Amount**] available by your draft(s) drawn at sight on [**Insert Bank Name**] when accompanied by the following:

(1) The original of this Letter of Credit and amendment(s) if any.
(2) A statement, on the letterhead of and purportedly signed by an authorized officer of the Beneficiary, dated the same date as the draft, exactly in the format of the attached Exhibit A.

This Letter of Credit, including the attached EXHIBIT A (which form an integral part of the Credit), sets forth in full the terms of our undertaking and such undertaking shall not in any way be modified, amended or amplified by reference to any document, instrument or agreement referred to herein or in which this Letter of Credit is referred to or which this Letter of Credit relates, and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement.

It is a condition of this Letter of Credit that it shall be automatically extended, without amendment, for an additional period of one (1) year from the present or any further expiration date, unless forty five (45) days prior to such date, we notify you in writing by overnight courier service that we elect not to renew this Letter of Credit for any such additional period. The FINAL EXPIRY DATE is [**Insert Final Expiration Date**]. Our notice of non renewal will be sent to the Beneficiary, at the address given in this Letter of Credit, unless we are otherwise notified by the Beneficiary, in writing via registered mail, return receipt requested, of a charge of address.

Drafts drawn hereunder must be marked: "Drawn under **[Insert Issuing Bank Name]** Irrevocable Letter of Credit Number **[Insert Number]** dated **[Insert Date]**.

We engage with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon delivery of documents to us at **[Insert Presentation Location]** if presented on or before the close of business on **[Insert Initial Expiration Date]** or any automatically extended date.

Except so far as otherwise expressly stated herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1983 Revision) International Chamber of Commerce, Publication No: 400.

Very truly yours,

Authorized Signature

Authorized Signature

IRREVOCABLE LETTER OF CREDIT

Exhibit A

The undersigned is a duly authorized agent of the Landlord, familiar with the Lease to , dated ; hereby affirms that there has occurred an event of default under the Lease that has not been cured within any allowed notice, grace and cure periods (or alternatively, the Letter of Credit has not be timely renewed as required by the Lease); and that Landlord is entitled to liquidate this Letter of Credit to satisfy said default (or renewal obligations) under the terms and conditions of the Lease, in the amount of $.

RIVERTECH ASSOCIATES II, LLC
(Landlord)

By: _____

RIVERSIDE TECHNOLOGY CENTER
LEASE EXHIBIT D — LESSOR'S SECTION 6 APPROVAL

See Schedule attached hereto

Mersana's research and development of therapeutic and diagnostic products requires the use of chemical, solvent, biological, and radioactive materials ("hazardous materials") plus small animals, all commonly used in biotechnology research and development and as further described herein. The amount of hazardous materials used is generally a small quantity. All hazardous materials are handled, stored, used, and disposed of in accordance with applicable local, state, and federal regulations.

Chemicals of the type commonly used are per the attached non-inclusive MERSANA REAGENT LIST.

Solvents of the type commonly used include 1,2-Dimethoxyethane, 1,4-Dioxane, 2-Propanol, Acetone, Acetonitrile, Benzene, Dichloroethane, Diethyl Ether, Diisopropylethyl Amine, Dimethylformamide, Dimethyl Sulfoxide, Ethanol, Ethyl Acetate, Hexane, Methanol, Methylene Chloride, Pentane, Petroleum Ether, Piperidine, Pyridine, Tert-butanol, Tert-butylmethyl Ether, Tetrahydrofuran, and Toluene.

Biologicals used are both natural and recombinant types.

Radioactive materials are not currently licensed for use by Mersana, but future plans may include Hydrogen 3, Carbon 14, Phosphorous 32, Sulfur 35, and Iodine 125.

Animals contemplated for use are mouse, rat, and rabbit species.

LESSOR's approval is hereby contingent upon the following: (i) All Peroxide Formers (such as ethers) are to be screened on a regular basis by a qualified hazardous material/waste vendor, as LESSEE's responsibility and at LESSEE's sole cost and expense; and (ii) all recombinant work shall be properly permitted and licensed under the Cambridge Recombinant Ordinance (Cambridge Health Alliance); and, (iii) a radioactove Site License will be requiredand shall be procured by LESSEE at its sole cost and expense and an onsite RSO will be desingated with appropriate training and qualifications.

MERSANA REAGENT LIST

Agar
Agarose
Avidin-Peroxidase
Borane in THF
BSA (Bovine Serum Albumin)
Camptothecin
Deoxyribonuclease I
Deoxyribonuclease I (Type II)
Dextran Sulfate
Dextrose, Anhydrous
DNA
Dulbecco's Modified Eagle Medium
(MDEM)
Dulbecco's Phosphate Buffered Saline
(DBPS) with $MgCL_2$ & $CaCL_2$
(DBPS) without $MgCL_2$ & $CaCL_2$
Lipofectin
Lithium Tert-Butoxide
Lysozyme
Maltose
McCoy's 5A Medium (Modified)
MEM Amino Acids Solution
MEM Non-Essential Amino Acids Solution
MEM Sodium Pyruvate
MEM Vitamin Solution
Methylamine
Permount
Penicillin-Streptomycin
Postassium Phosphate, Monobasic
Potassium Phosphate, Dibasic
Potassium Tert-Butoxide
Ribonuclease A Type I-A
Silver Stain Oxidizer
Silver Stain Reagent
Sodium Acetate
Sodium Azide
Sodium Bicarbonate
Sodium Borohydride
Sodium Carbonate, Anhydrous

Sodium Chloride

Sodium Citrate, Dihydrate
Sodium Cyanoborohydride
Sodium Dodecyl Sulfate (SDS)
Sodium Ethoxide
Sodium Hydride
Sodium Hydroxide
Sodium Iodide
Sodium Methoxide
Sodium Phosphate, Monobasic, 1-Hydrate
Sodium Phosphate, Dibasic, Anhydrous
Sodium Phosphate, Tribasic, 12-Hydrate
Sodium Pyruvate
Sodium Sulfite
Spermidine, Free Base
Spermine Tetrahydrochloride
Sucrose
Thimerosal
Thymidine
Transferrin, human
Triethylamine
TRIS(hydroxymethyl) aminoethane
Trypan Blue
Trypsin Inhibitor Type I-S
Tryptone
Tubulysins
Urea
Vinca Alkaloids
X-GAL (5-Bromo-4-Chloro-3-Indolyl-B-D-
Galactopyranoside)
Yeast Extract
Yeast tRNA

This reagent list provides examples, but may not be fully comprehensive. All reagents in laboratories are listed in a computerized database with paper MSDS information available in notebooks near the labs.

Recording Requested by
and when Recorded return to:

WELLS FARGO BANK, N.A.
Commercial Mortgage Servicing
1320 Willow Pass Road, Suite 300
Concord, CA 94520

Attention: CMS Asset Admin.
Loan No.: 700201416

SUBORDINATION AGREEMENT
and
ESTOPPEL, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

Tenant's Trade Name: Mersana Therapeutics, Inc.

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF THE MORTGAGE (DEFINED BELOW).

This SUBORDINATION AGREEMENT AND ESTOPPEL, NON-DISTURBANCE AND ATTORNMENT AGREEMENT ("Agreement") is made as of March 4, 2009, by and between Mersana Therapeutics, Inc. ("Tenant") and BANK OF AMERICA, NATIONAL ASSOCIATION, as successor by merger to LASALLE BANK, NATIONAL ASSOCIATION, as Trustee for Bear Stearns Commercial Mortgage Securities Inc., Commercial Mortgage Pass-Through Certificates, Series 2004-TOP14 ("Lender"), with reference to the following facts and intentions of the parties:

RECITALS

A. Rivertech Associates II, LLC ("Owner") is the owner of the land and improvements commonly known as 840 Memorial Drive and more specifically described in Exhibit B attached hereto ("Property") and the owner of the Landlord's interest in the lease identified in Recital B below ("Lease").

B. Tenant is the owner of the tenant's interest in that lease dated February 24, 2009, executed by Owner, as landlord, and Tenant, as tenant. (Said lease is collectively referred to herein as the "Lease").

C. Owner is indebted to Lender under a promissory note in the original principal amount of $43,000.000, which note is secured by, among other things, a mortgage, deed of trust, trust indenture or deed to secure debt encumbering the Property ("Mortgage"), dated January 14, 2004 and recorded January 14,

2004 in the Official Records of the County of Middlesex , State of Massachusetts ("Mortgage").

THEREFORE, The parties agree as follows:

1. **SUBORDINATION.**

1.1 **Prior Lien**. The Mortgage, and any modifications, renewals or extensions thereof, shall unconditionally be and at all times remain a lien or charge on the Property prior and superior to the Lease.

1.2 **Entire Agreement**. This Agreement shall be the whole agreement and only agreement with regard to the subordination of the Lease to the lien or charge of the Mortgage, and shall supersede and cancel, but only insofar as would affect the priority between the Mortgage and the Lease, any prior agreements as to such subordination, including, without limitation, those provisions, if any, contained in the Lease which provide for the subordination of the Lease to a deed or deeds of trust, a mortgage or mortgages, a deed or deeds to secure debt or a trust indenture or trust indentures.

1.3 **Disbursements**. Lender, in making disbursements pursuant to the Note, the Mortgage or any loan agreements with respect to the Property, is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat this agreement to subordinate in whole or in part.

1.4 **Subordination**. Tenant intentionally and unconditionally waives, relinquishes and subordinates all of Tenant's right, title and interest in and to the Property, to the lien of the Mortgage.

2. **NON-DISTURBANCE AND ATTORNMENT.**

2.1 **Non-Disturbance**. Notwithstanding anything to the contrary contained in the Lease, so long as there shall exist no breach, default or event of default (beyond any period given to Tenant in the Lease to cure such default) on the part of Tenant under the Lease at the time of any foreclosure of the Mortgage, Lender agrees that the leasehold interest of Tenant under the Lease shall not be terminated by reason of such foreclosure, but rather the Lease shall continue in full force and effect and Lender shall recognize and accept Tenant as tenant under the Lease subject to the provisions of the Lease.

2.2 **Attornment**. Notwithstanding anything to the contrary contained in the Lease, should title to the leased premises and the landlord's interest in the Lease be transferred to Lender or any other person or entity ("New Owner") by, or in-lieu of judicial or non-judicial foreclosure of the Mortgage, Tenant agrees, for the benefit of New Owner and effective immediately and automatically upon the occurrence of any such transfer, that: (a) Tenant shall pay to New Owner all rental payments required to be made by Tenant pursuant to the terms of the Lease for the remainder of the Lease term; (b) Tenant shall be bound to New Owner in accordance with all of the provisions of the Lease for the remainder of the Lease term; (c) Tenant hereby attorns to New Owner as its landlord, such attornment to be effective and self-operative without the execution of any further instrument; (d) New Owner shall not be liable for any default of any prior landlord under the Lease, including, without limitation, Owner, except where such default is continuing at the time New Owner acquires title to the leased premises and New Owner fails to cure same after receiving notice thereof; (e) New Owner shall not be subject to any offsets or defenses which Tenant may have against any prior landlord under the Lease, including, without limitation, Owner, except where such offsets or defenses arise out of a default of the prior landlord which is continuing at the time New Owner acquires title to the leased premises and New Owner fails to cure same after receiving notice thereof; and (f) New Owner shall not be liable for any obligations of landlord arising under the Lease following any subsequent transfer of the title to the leased premises by New Owner.

3. **ESTOPPEL**. Tenant warrants and represents to Lender, as of the date hereof, that:

3.1 **Lease Effective**. The Lease has been duly executed and delivered by Tenant and, subject to the terms and conditions thereof, the Lease is in full force and effect, the obligations of Tenant thereunder are valid and binding, and there have been no modifications or additions to the Lease, written or oral, other than those, if any, which are referenced above in Recital B.

3.2 **No Default**. To the best of Tenant's knowledge: (a) there exists no breach, default, or event or condition which, with the giving of notice or the passage of time or both, would constitute a breach or default under the Lease either by Tenant or Owner; and (b) Tenant has no existing claims, defenses or offsets against rental due or to become due under the Lease.

3.3 **Entire Agreement**. The Lease constitutes the entire agreement between Owner and Tenant with respect to the Property, and Tenant claims no rights of any kind whatsoever with respect to the Property, other than as set forth in the Lease.

3.4 **Minimum Rent**. The annual minimum rent under the Lease is $502,084.00, subject to any escalation, percentage rent and/or common area maintenance charges provided in the Lease.

3.5 **Rental Payment Commencement Date:** The rents stated in Section 3.4 above will begin or have begun on July 1, 2009.

3.6 **Rentable area**. The rentable area of the leased premises is 11,411 square feet.

3.7 **Commencement Date**. The term of the Lease commenced or will commence on July 1, 2009.

3.8 **Expiration Date**. The term of the Lease will expire on June 30, 2012.

3.9 **No Deposits or Prepaid Rent**. No deposits or prepayments of rent have been made in connection with the Lease, except as follows: $167,361.33 security deposit due on or before May 1, 2009 (if none, write "None").

3.10 **No Other Assignment**. Tenant has received no notice, and is not otherwise aware of, any other assignment of the landlord's interest in the Lease.

3.11 **No Purchase Option or Refusal Rights**. Tenant does not have any option or preferential right to purchase all or any part of the Property, except as follows: None (if none, write "None").

4. **MISCELLANEOUS.**

4.1 **Heirs, Successors and Assigns**. The covenants herein shall be binding upon, and inure to the benefit of, the heirs, successors and assigns of the parties hereto. Whenever necessary or appropriate to give logical meaning to a provision of this Agreement, the term "Owner" shall be deemed to mean the then current owner of the Property and the landlord's interest in the Lease.

4.2 **Addresses; Request for Notice**. All notices and other communications that are required or permitted to be given to a party under this Agreement shall be in writing and shall be sent to such party, either by personal delivery, by overnight delivery service, by certified first class mail, return receipt requested, or by facsimile transmission, to the address or facsimile number below. All such notices and communications shall be effective upon receipt of such delivery or facsimile transmission. The addresses and facsimile numbers of the parties shall be:

Tenant:	Lender:
Mersana Therapeutics, Inc. Attn: Peter Leone 840 Memorial Drive Cambridge, MA 02139	Wells Fargo, N.A., as Master Servicer Attn: Asset Administration 1320 Willow Pass Road, Ste 300 Concord, California 94520
FAX No.: 617-498-0109	FAX No.: 925-685-1259

provided, however, any party shall have the right to change its address for notice hereunder by the giving of written notice thereof to the other party in the manner set forth in this Agreement.

4.3 **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute and be construed as one and the same instrument.

4.4 **Section Headings**. Section headings in this Agreement are for convenience only and are not to be construed as part of this Agreement or in any way limiting or applying the provisions hereof.

4.5 **Attorneys' Fees**. If any legal action, suit or proceeding is commenced between Tenant and Lender regarding their respective rights and obligations under this Agreement, the prevailing party shall be entitled to recover, in addition to damages or other relief, costs and expenses, attorneys' fees and court costs (including, without limitation, expert witness fees). As used herein, the term "prevailing party" shall mean the party which obtains the principal relief it has sought, whether by compromise settlement or judgment. If the party which commenced or instituted the action, suit or proceeding shall dismiss or discontinue it without the concurrence of the other party, such other party shall be deemed the prevailing party.

5. **INCORPORATION**. Exhibit A, the Owner's Consent is attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

"LENDER"

BANK OF AMERICA, NATIONAL ASSOCIATION, as successor by merger to LASALLE BANK, NATIONAL ASSOCIATION, as Trustee for Bear Stearns Commercial Mortgage Securities Inc., Commercial Mortgage Pass-Through Certificates, Series 2004-TOP14

By: Wells Fargo Bank, National Association, as Master Servicer under the Pooling and Servicing Agreement dated as of May 1, 2004, among Bear Stearns Commercial Mortgage Securities Inc., Wells Fargo Bank, National Association, Centerline Servicing Inc. (f/k/a Arcap Servicing Inc.), LaSalle Bank National Association and ABN AMRO Bank N.V.

By: /s/ Angela C. Catalli
Name: Angela C. Catalli
Title: Vice President

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT HERETO.

ALL SIGNATURES MUST BE ACKNOWLEDGED.

STATE OF CALIFORNIA
COUNTY OF CONTRA COSTA

On this 13th day of March 2009, before me, the undersigned notary public, personally appeared Angela C. Catalli, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature /s/ Noreen Sutterfield (Seal)

"TENANT"

Mersana Therapeutics, Inc.

By: /s/ Peter Leone

Its: Chief Operating Officer

COMMONWEALTH OF MASSACHUSETTS

Middlesex, ss.

On this 26th day of February, 2009 before me, the undersigned notary public, personally appeared Peter B. Leone as COO of Mersana Therapeutics, a Delaware Corporation, known to me or proved to me through satisfactory evidence of identification, which was photographic identification with signature issued by a federal or state governmental agency, oath or affirmation of a credible witness, personal knowledge of the undersigned, to be the person whose name is subscribed to the preceding or attached document and acknowledged that he/she executed the same as his/her free act and deed and the free act and deed of said company, for the purposes therein contained.

/s/ C L. Crasnick-Maloney
Notary Public
My commission expires:

CARYN L. CRASNICK-MALONEY
NOTARY PUBLIC
Commonwealth of Massachusetts
My Commission Expires
February 8, 2013

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT HERETO.

ALL SIGNATURES MUST BE ACKNOWLEDGED.

EXHIBIT A
OWNER'S CONSENT

The undersigned, which owns or is about to acquire the Property and the landlord's interest in the Lease, hereby consents to the execution of the foregoing SUBORDINATION AGREEMENT AND ESTOPPEL, NON-DISTURBANCE AND ATTORNMENT AGREEMENT, and to implementation of the agreements and transactions provided for therein.

"OWNER"

Rivertech Associates II, LLC

By: /s/ Robert Epstein

Its: Manager

COMMONWEALTH OF MASSACHUSETTS

Middlesex, ss.

On this 3rd day of March, 2009 before me, the undersigned notary public, personally appeared Robert Epstein as CEO of Rivertech Associates II, LLC, a Massachusetts limited liability corporation, known to me or proved to me through satisfactory evidence of identification, which was photographic identification with signature issued by a federal or state governmental agency, oath or affirmation of a credible witness, personal knowledge of the undersigned, to be the person whose name is subscribed to the preceding or attached document and acknowledged that he/she executed the same as his/her free act and deed and the free act and deed of said company, for the purposes therein contained.

/s/ Aoife Austin
Notary Public
My commission expires:

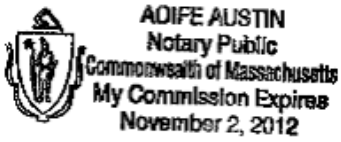


EXHIBIT B
(Description of Property)

EXHIBIT B to SUBORDINATION AGREEMENT AND ESTOPPEL, NON-DISTURBANCE AND ATTORNMENT AGREEMENT dated as of , executed by Mersana Therapeutics, Inc., as "Tenant", and BANK OF AMERICA, NATIONAL ASSOCIATION, as successor by merger to LASALLE BANK, NATIONAL ASSOCIATION, as Trustee for Bear Stearns Commercial Mortgage Securities Inc., Commercial Mortgage Pass-Through Certificates, Series 2004-TOP14 as "Lender".

All that certain land located in the County of Middlesex, State of Massachusetts, described as follows:

That certain parcel of land situated in Cambridge in the County of Middlesex, Commonwealth of Massachusetts, described as follows:

Westerly by the Easterly line of Memorial Drive (formerly Charles River Road) twenty-six and 21/100 feet;

Northerly by the Southerly line of said Road, three and 96/100 feet;

Westerly by the Easterly line of said Road, one hundred twenty-six and 59/100 feet;

Northerly by the Southerly line of Albro Street, three hundred thirty-two and 31/100 feet;

Easterly by the Westerly line of Blackstone Street, one hundred and fifty-three feet; and

Southerly by Lot 2 as shown on plan hereinafter mentioned, three hundred fifty-one and 45/100 feet.

Said parcel is shown as Lot 1 on plan filed as Plan No. 8817C, with Certificate in Book 903, Page 29.

Together with the benefit of the provisions of an indenture dated September 20, 1922, recorded in Book 4564, Page 561; as affected by Releases filed as Document Nos. 598776 and 598777; and an indenture between Cambridge Electric Light Company and The Mutual Life Insurance Company of New York, dated December 20, 1989, filed as Document No. 814249.

For Informational Purposes, the tax parcel ID is Map 129 Lot 58.

RIVERSIDE TECHNOLOGY CENTER

FIFTH LEASE EXTENSION AND MODIFICATION AGREEMENT

TO THE LEASE BETWEEN

RIVERTECH ASSOCIATES II LLC AND MERSANA THERAPEUTICS, INC.

This Fifth Lease Extension and Modification Agreement entered into this 30th day of November, 2015 (the "Fifth Lease Amendment") by and between **Rivertech Associates II LLC,** a Massachusetts limited liability company with a principal address c/o The Abbey Group, 575 Boylston Street Boston, Massachusetts 02116, (the "Lessor"); and **Mersana Therapeutics, Inc.**, with a business address at 840 Memorial Drive Cambridge, Massachusetts (the "Lessee"); relative to a certain Lease between Lessor and Lessee dated February 24, 2009, as modified by a certain Lease Extension and Modification Agreement dated July 27, 2010 (the "First Lease Amendment"); as further modified by a Second Lease Extension and Modification Agreement dated May 29, 2012 (the "Second Lease Amendment"); and as further modified by a Third Lease Extension and Modification Agreement dated February 7, 2013 (the "Third Lease Amendment"); as further modified by a Fourth Lease Extension and Modification Agreement dated April 30, 2014 (the "Fourth Lease Amendment"); all collectively referred to herein as of the date hereof as the "Existing Lease"; for certain office and laboratory space in the building at 840 Memorial Drive Cambridge, Massachusetts as identified in the Existing Lease. The Existing Lease, as modified by this Fifth Lease Amendment, hereafter shall be referred to herein as the "Lease" (as the context so permits).

WHEREAS, the Lessee desires to extend the current stated Term of the Existing Lease set to expire on January 31, 2017 as called for in the aforesaid Fourth Lease Amendment, on terms and conditions agreeable to both Lessor and Lessee as a modification to the Existing Lease, and Lessor assents to such extension of the Term by the Lessee on this basis; and,

WHEREAS, the Lessee desires to lease separate space in the Building (defined herein as the "5th Floor Expansion Space"), in addition to the current Leased Premises (defined herein as the "Existing Leased Premises"), as of a delivery date on or before April 1, 2016 (as determined herein) and for the duration of the Term as it is extended hereby, on terms and conditions agreeable to both Lessor and Lessee as a modification to the Existing Lease, and Lessor assents thereto;

THEREFORE, in consideration of One ($1.00) Dollar and the other good and valuable consideration recited herein, effective and irrevocable as of the date hereof, the Lessor and Lessee hereby agree as follows:

1. Additional Defined Terms

The following terms as used herein are defined as:

"Amended Termination Date" means that date which is thirty six (36) consecutive full months following the Lab Space Rent Commencement Date.

"Delivery Dates" (singular, "Delivery Date") means the Office Space Delivery Date and the Lab Space Delivery Date, as the context so permits.

"Existing Leased Premises" means that space in the Building currently leased by the Lessee which presently consists of approximately 20,090 rentable square feet located on the second (2nd) floor of the Building, as reflected in the Fourth Lease Amendment.

"Extended Term" or "Term" means the period up to Amended Termination Date.

"Extension Year" means each twelve (12) consecutive full month period during the Extended Term, commencing with the first day of the calendar month next following the Lab Space Rent Commencement Date.

"5th Floor Expansion Space" (alternatively, the "Expansion Space") means that space in the Building located on the 5th floor consisting of approximately 14,168 rentable square feet of space as shown on the plan attached hereto as Exhibit A; and also additional space in the Building located on the 4th floor consisting 66 rentable square feet of space (for use as an acid neutralization room) also shown on the plan attached hereto as Exhibit A, constituting a total of approximately 14,234 rentable square feet of space.

"Lab Space Rent Commencement Date" means that date which is the earlier of: (i) the date on which Lessee begins its operations from any portion of the Lab Space Component; or (ii) that date which is ninety (90) days from the Lab Space Delivery Date.

"Lab Space Component" means that space in the Building located on the 5th floor, being part of the 5th Floor Expansion Space, consisting of approximately 6,076 rentable square feet of laboratory space of the fifth floor, and 66 rentable square feet of space for the acid neutralization room on the 4th floor, both as shown on the plan attached hereto as Exhibit B and totaling approximately 6,142 rentable square feet of laboratory space; together with the Office Space Component equaling the entire 5th Floor Expansion Space.

"Lab Space Delivery Date" means that date between January 1, 2016 and April 1, 2016 on which Lessor provides Lessee with a "Lab Space Delivery Notice" as contemplated in Section 3 hereof.

"Lab Space Delivery Notice" means that written notice provided by Lessor marking the Lab Space Delivery Date.

"Lessor's Delivery Notice" means the Office Space Delivery Notice or the Lab Space Delivery Notice, as the context so permits.

"Office Space Rent Commencement Date" means that date which is the earlier of: (i) the date on which Lessee begins its operations from any portion of the Office Space Component; or (ii) that date which is ninety (90) days from the Office Space Delivery Date.

"Office Space Component" means that space in the Building located on the 5th floor, being part of the 5th Floor Expansion Space, consisting of approximately 8,092 rentable square feet of office space as shown on the plan attached hereto as Exhibit B; together with the Lab Space Component equaling the entire 5th Floor Expansion Space.

"Office Space Delivery Date" means January 1, 2016.

"Office Space Delivery Notice" means that written notice provided by Lessor marking the Office Space Delivery Date.

2. The Existing Leased Premises - Extension of Lease Term

Lessee agrees to extend its lease and occupancy of the Existing Leased Premises as defined in the Fourth Lease Amendment, such that the Lease will expire as to both said Existing Leased Premises and the 5th Floor Expansion Space (i.e. all the space to be occupied by the Lessee under this Fifth Lease Amendment), on the same date - the Amended Termination Date.

This Lease Extension is to be considered a valid and binding obligation of the parties effective as of the date of execution of this Fifth Lease Amendment by the parties, with the provisions of the Existing Lease (that are not superseded hereby) to continue to govern the Lessee's use and occupancy of the Existing Leased Premises through and up to January 31, 2017, and thereafter the provisions of this Fifth Lease Amendment to also govern the Existing Leased Premises. Consequently, all Lessee's Annual Base Rent payments and other Rent payment obligations as to the Existing Leased Premises shall run under the Existing Lease up to January 31, 2017, and all Annual Base Rent and other Rent payment obligations as to the Existing Leased Premises as of February 1, 2017 shall be as set forth in this Fifth Lease Amendment.

The Existing Leased Premises shall be leased for the extension period in the same "AS/IS" condition as of the execution of this Fifth Lease Amendment, and Lessee acknowledges Lessor is under no obligation to make any improvements or modifications thereto, in any manner. Lessee hereby acknowledges it is currently in possession of the Existing Leased Premises and accordingly accepts the same for the extension period in the same "AS/IS" condition without representation or warranty of any kind or nature as of the execution of this Fifth Lease Amendment, and Lessee acknowledges Lessor is under no obligation to make any improvements or modifications thereto, in any manner. Lessor and Lessee each acknowledge that to the best of each of their respective knowledge, there are no material defaults by either presently existing under the Existing Lease.

3. The 5th Floor Expansion Space - Lessor's Delivery and Lessor's Work Obligations

Lessee agrees to lease the 5th Floor Expansion Space on the terms and conditions set forth herein. Lessor shall deliver the 5th Floor Expansion Space to Lessee in two separate deliveries:

A. Lessor shall deliver the Office Space Component to Lessee on the Office Space Delivery Date; and,

B. Lessor shall delivery the Lab Space Component to Lessee on the Lab Space Delivery Date.

Once delivered, each of the two components of the 5th Floor Expansion Space shall be included within, and in addition to the Existing Leased Premises, shall become the "Leased Premises" under the Lease as amended by this Fifth Lease Amendment.

All Lessee's Annual Base Rent and other Rent payments and other Lease obligations relating to the (i) Office Space Component shall commence as of the Office Space Rent Commencement Date and (ii) Lab Space Component shall commence as of the Lab Space Rent Commencement Date as set forth in this Fifth Lease Amendment.

Each component of the 5th Floor Expansion Space shall be delivered to the Lessee with the following conditions satisfied:

(a) the existing tenant occupying the 5th Floor Expansion Space, (and all those occupying said Space by, under or through said existing tenant) have vacated and surrendered (i) the Office Space Component; and separately, (ii) the Lab Space Component; respectively as of the corresponding Delivery Date;

(b) the substantial completion of Lessor's Work (according to the "Turnover Standards" set forth below), separately, on each of the two component spaces, i.e. the Lessor's Work on each will proceed independently and will be an independent condition to delivery of that component space as of the corresponding Delivery Date; and,

(c) as to the Lab Space Component (only), the existing tenant has met its obligations under the Lease for environmental review and reporting to Landlord and all turnover conditions.

Lessor's Work on the respective Office Space Component and the Lab Space Component, as of the respective Delivery Dates (i) shall been performed in a good and workmanlike manner, with all necessary municipal approvals and Cambridge building department "sign-offs" consistent with Lessor's certificate of occupancy; (ii) the component space shall be in broom clean condition free and clear of all tenants and occupants; and (iii) the component space shall be turned over in the condition required by this Fifth Lease Amendment; collectively, (i), (ii) and (iii) being referred to herein as the "Turnover Standards"). Lessor shall not be liable for any delay in delivery of the Office Space Component or the Lab Space Component beyond their respective targeted Delivery Dates provided Lessor undertakes reasonable and diligent efforts to deliver by said Delivery Dates subject to the conditions set forth above.

Lessor's delivery of the Office Space Component or the Lab Space Component shall each be evidenced by the Lessor's Delivery Notice given to Lessee as of the actual date said component space is provided to Lessee. Lessee shall have five (5) business days to contest delivery if it does not conform with the provisions and conditions in this Section 3, by delivering its notice

thereof in writing to Lessor; however, any listed items of a "punchlist" nature shall be mutually agreed to by Lessor and Lessee and shall not be grounds to contest delivery, but nevertheless shall obligate Lessor to complete such punchlist items at the earliest practicable time under the circumstances, completion not to extend beyond thirty (30) days (subject to the availability of labor and materials).

The Lessor shall perform, at its sole cost and expense, such design and construction work as is necessary to deliver the Office Space Component and the Lab Space Component to the Lessee by the respective Delivery Dates, in accordance with the Exhibit A and Exhibit B (the "Lessor's Work"); with demising walls and common area corridors to be compliant with state and municipal building codes. All utilities for the Office Space Component and the Lab Space Component of the 5th Floor Expansion Space shall be in place and separately metered as of the respective Delivery Dates. The base building systems serving the Office Space Component or the Lab Space Component on delivery shall be in good operating condition and repair and suitable for office and laboratory use, respectively. The Building common areas and the access to the Office Space Component and the Lab Space Component on delivery will be compliant with the Americans with Disabilities Act. Subject to the foregoing, Lessor shall not be responsible for any other design or construction work with respect to either the Leased Premises under the current Existing Lease, or any component of the 5th Floor Expansion Space.

4. The Expansion Space - Lessee's Work and Tenant Improvement Allowance

The Lessee shall be solely responsible, at its sole cost and expense, to perform such other specific design and construction work on the Expansion Space as it desires for its use and occupancy, subject to Lessor's approval as called for in the Existing Lease ("Lessee's Work"), upon completion of the Lessor's Work and after the respective Delivery Dates. The provisions of the Existing Lease with respect to the requirements for Lessee's permitting, construction, and occupancy, inter alia, shall govern the Lessee's Work on the Expansion Space. Lessor shall not charge for any supervisory, management or other fees in the review process for approval of Lessee's Work, except for the reasonable costs and expenses of any third party engineers or design/construction specialists reasonably necessary to review the same for Lessor.

Lessee shall be provided with access to the Expansion Space commencing upon execution of this Fifth Lease Amendment, coordinated through the Lessor, for the purpose of performing limited preliminary design work and preparatory work (but only if and when permitted by the existing tenant in the space, or when said existing tenant vacates and surrenders the space) and for the installation of Lessee's equipment and wiring by only when said existing tenant vacates and surrenders the space), provided such access and preliminary work does not materially interfere with Lessor's ability to perform and complete its Lessor's Work, which shall take precedence in all respects.

All Lessee's Work shall be presented to Lessor and approved by Lessor by the procedures and under the requirements set forth in the Existing Lease. Lessee's Work and all subsequent Lessee alterations to the Leased Premises that are performed by Lessee on or affecting the fire, life safety and/or sprinkler systems of the building shall be made in such a manner and under such conditions as to pose no adverse impact or interruption to such fire, life safety, and sprinkler

systems, and so as not to delay, impair, or jeopardize the legal occupancy of other tenants in the Building, as determined by Lessor and municipal fire and building inspection officials.

Lessor shall provide the Lessee with an allowance to be applied to Lessee's Work, in the amount of Three Hundred Fifty Five Thousand Eight Hundred Fifty ($ 355,850) Dollars (the "TI Allowance"); subject to the following terms and conditions. Lessor's release of any funds from the TI Allowance is predicated on Lessee's timely submittal of plans and specifications for Lessee's Work; approval of those plans and specifications by Lessor (which, upon approval, shall be the basis for determination of the release of said TI Allowance funds), such approval not to be unreasonably withheld, conditioned or delayed; and the further submittal therewith by Lessee, and approval by Lessor (such approval not to be unreasonably withheld, conditioned or delayed), of a design and construction budget reflecting the costs of such work (the "Lessee's Budget"). When Lessee has incurred actual third party costs for the Lessee's Work (inclusive of reasonable third party design, architectural, engineering, project management and construction costs for the Expansion Space and Existing Leased Premises and reasonable soft costs including furniture, fixtures and equipment and telecommunications, wiring and cabling), Lessee shall submit to Lessor from time to time (but not more frequently than monthly, and not later than six (6) months after the 5th Floor Delivery Date, referred to herein as the "TI Requisition Period") copies of all third party requisitions for payment received by Lessee for which Lessee seeks reimbursement (in each instance, the "Requisitioned Work"), together with a partial lien waiver executed by Lessee's general contractor (as applicable). Lessor, within thirty (30) days following Lessor's receipt thereof, absent dispute, shall pay to Lessee from the TI Allowance an amount (the "TI Payment") attributable to the ratio that the Requisitioned Work bears to the total Lessee's Budget for Lessee's Work; subject to Landlord's verification. For example, if the amount of the Requisitioned Work is twenty (20%) percent of the Lessee's Budget, then the TI Payment on the Requisitioned Work shall represent twenty (20%) percent of the TI Allowance. This process shall repeat as Lessee submits for Requisitioned Work up to the total amount of the TI Allowance, but Lessor shall incur no liability to Lessee (or any other party) for any sums incurred for Tenant's Work above the TI Allowance. If any lien is filed against the Building or any part thereof or interest therein arising out of or in connection with Lessee's Work then Lessor shall have no further obligation to disburse any funds from the TI Allowance to Lessee (nor shall Lessee be entitled to any reduction in Annual Base Rent as called for hereunder) unless and until the same is so discharged or otherwise disposed, in addition to and not in lieu of Lessor's rights and remedies at law or in equity. TI Allowance may also be used for Existing Leased Premises.

If there remains any unused portion of the TI Allowance that is not properly spent and properly requisitioned by the deadline as contemplated above, then Lessee may apply that remaining balance to reduce the Annual Base Rent attributable to the Expansion Space, in the following manner:

(a) The unused portion of the TI Allowance is to be multiplied by $ 0.35; (the resulting number being referred to as the "Annual Rent Reduction"); and,

(b) The Annual Rent Reduction is to be divided by 12; (the resulting number being referred to as the "Monthly Rent Reduction); and,

(c) Annual Base Rent attributable to the Expansion Space will be reduced for each of the three Expansion Years by deducting the Monthly Rent Reduction from the monthly payments of Annual Base Rent due under Section 5B(i), (ii) and (iii). Any credit attributable to Rent already paid will be applied in the first month after the deadline for requisitions.

5. Annual Base Rent, Additional Rent and Other Lease Costs and Expenses

Annual Base Rent up to and during the Extended Term shall be as set forth below:

A. The Existing Leased Premises

Annual Base Rent for the Existing Leased Premises, i.e. the current 20,090 rentable square feet on the second (2nd) floor of the Building, shall be:

(i) For the balance of the Term up through January 31, 2017, Annual Base Rent shall remain unchanged and shall be as stated in the Existing Lease; and,

(ii) Commencing on February 1, 2017 and into the Extended Term, Annual Base Rent shall be:

(a) For the period February 1, 2017 through January 31, 2018:

One Million Forty Four Thousand Six Hundred Eighty ($ 1,044,680) Dollars (i.e. Eighty Seven Thousand Fifty Six and 67/100 ($ 87,056.67) Dollars per month);

(b) For the period February 1, 2018 through January 31, 2019:

One Million Eighty Four Thousand Eight Hundred Sixty ($ 1,084,860) Dollars (i.e. Ninety Thousand Four Hundred Five ($ 90,405) Dollars per month);

(c) For the period February 1, 2019 to the end of the Term on the Amended Termination Date:

One Million One Hundred Twenty Five Thousand Forty ($ 1,125,040) Dollars (annualized), (i.e. Ninety Three Thousand Seven hundred Fifty Three 33/100 ($ 93,753.33) Dollars per month).

B. The Expansion Space

Annual Base Rent for the 5th Floor Expansion Space, i.e. the 14, 234 rentable square feet on the fifth (5th) floor (including the fourth (4th) floor increment) of the Building, shall be:

(i) For the first Extension Year:

Seven Hundred Seventy Five Thousand Seven Hundred Fifty Three ($ 775,753.00 Dollars (i.e. Sixty Four Thousand Six Hundred Forty Six 08/100 ($ 64,646.08) Dollars per month);

(ii) For the second Extension Year:

Eight Hundred Four Thousand Two Hundred Twenty One ($ 804,221.00) Dollars (i.e. Sixty Seven Thousand Eighteen 42/100 ($ 67,018.42) Dollars per month);

(iii) For the third Extension Year:

Eight Hundred Thirty Two Thousand Six Hundred Eighty Nine ($ 832,689.00) Dollars (i.e. Sixty Nine Thousand Three Hundred Ninety 75/100 ($ 69,390.75) Dollars per month).

In all instances under A and B above, Annual Base Rent shall be payable in the corresponding monthly installments as set forth above, due on the first of each month, in advance, and in all other respects shall be subject to the same provisions relating to Annual Base Rent as set forth under the Existing Lease.

C. Additional Rent

In addition to Annual Base Rent, Lessee shall be responsible to pay all Additional Rent (Operating Expenses) under Section 3 of the Existing Lease, and all Additional Rent (Taxes) under Section 4 thereof:

(i) as applied to the Existing Leased Premises up to the Amended Termination Date; and,

(ii) as applied to the 5th Floor Expansion Space (i) as to the Office Space Component, from the Office Space Delivery Date up to the Amended Termination Date; and (ii) as to the Lab Space Component, from the Lab Space Delivery Date up to the Amended Termination Date.

all as invoiced by Lessor during the Extended Term.

As the concept is used in the Lease to compute Additional Rent, Lessee's allocable pro rata share ("Allocable Percentage") shall be as follows:

(i) Lessee's Allocable Percentage for the Existing Leased Premises shall be 15.58% (as set forth in the Fourth Amendment); and

(ii) Lessee's Allocable Percentage for the 5th Floor Expansion Space shall be 10.99% computed as the percentage the 5th Floor Expansion Space (14,234) is of the entire Building (129,470) at the current time.

D. Annual Base Rent Payments as of the Respective Delivery Dates.

Lessee shall begin paying Annual Base Rent on the Office Space Component as of the Office Space Rent Commencement Date, which Annual Base Rent is (i) included in the Annual Base Rent payable for the first Extension Year as set forth in subparagraph A above; and (ii) as to the period from the Office Space Rent Commencement Date up to the start of the first Extension Year, determined on a per diem basis, is 56.85% of Annual Base Rent for the first Extension Year.

Lessee shall begin paying Annual Base Rent on the Lab Space Component as of the Lab Space Rent Commencement Date, which Annual Base Rent is included in the Annual Base Rent payable for the First Extension Year as set forth in subparagraph A above.

If and to the extent the first Extension Year begins on any date other than the first day of a calendar month, then with respect to the Office Space Component and the Lab Space Component, Lessee shall pay Annual Base Rent (on a per diem basis based on Annual Base Rent for the first Extension Year) for the interim period between the Lab Space Rent Commencement Date and the start of the first Extension Year.

E. Governing Provisions for Annual Base Rent, Additional Rent, and Other Lease Costs and Expenses

All Annual Base Rent, Additional Rent and other sums due as Rent shall be payable and in all other respects shall be governed for the remainder of the Term under the Existing Lease and through the Extended Term, as set forth under the Existing Lease as modified by this Fifth Lease Amendment.

All other costs and expenses for utilities and services, and attendant to operation of the Leased Premises, as applicable to both the Existing Leased Premises and the 5th Floor Expansion Space, shall be borne by the respective parties for the remainder of the Term under the Existing Lease and through the Extended Term, as set forth under the Existing Lease as modified by this Fifth Lease Amendment.

6. Security Deposit

The Security Deposit currently held by the Lessor is in the amount of One Hundred Fifty Seven Thousand Three Hundred Seventy Two ($ 157,372.00) Dollars. Upon execution of this Fifth Lease Amendment, Lessee shall deposit with Lessor the additional amount of One Hundred Sixty Three Thousand Nine Hundred Forty Nine ($ 163,949.00) Dollars, which amounts together total Three Hundred Twenty One Thousand Three Hundred Twenty One ($ 321,321.00) Dollars.; which shall be held by Lessor as the Security Deposit under the Lease through to the Amended Termination Date. The additional amount may be deposited by Lessee by check, wire transfer, or in the form of a letter of credit (for that additional amount or by replacement letter of credit for the total amount).

7. Permitted Uses

The Permitted Uses in the Basic Data of the Existing Lease and all conditions attached thereto are hereby restated and affirmed and shall govern the use and occupancy of the entire Leased Premises.

8. Brokers

The parties hereby agree there are no brokerage or other third party fees or costs involved in this transaction and each agrees to indemnify, defend and hold harmless the other from and against any claims for brokerage fees, commissions or other such payments arising from this transaction; except for Transwestern RBJ who represents the Tenant in this extension and expansion transaction and to whom a commission shall be paid by Lessor under a separate agreement; with fifty (50%) percent of the fee due upon execution of this Fifth Lease Amendment, and fifty (50%) percent due on the 5th Floor Commencement Date.

9. Parking

LESSEE shall be granted, at current rates (which may be increased from time to time to reflect market increases), the right (but not the obligation) to park up to fifty one (51) cars in total in the Building's on-site indoor parking lot or facility on an unassigned and unreserved basis, in single or tandem spaces or on a valet basis which LESSOR in its sole discretion shall designate from time to time. The right to park thirty (30) cars within that allocation currently exists; and the right to park the additional twenty one (21) cars shall arise as of the earlier of the surrender of any parking rights by the existing tenant of the 5th floor space being vacated, or the 5th Floor Commencement Date. The initial parking rate therefor shall be $ 250 per month, per car, which monthly rate may be changed by LESSOR in its discretion subject to and reflective of periodic market changes. All payments for these parking rights shall be considered to be Additional Rent under this Lease. This provision supersedes any contrary provisions and allocations in the Existing Lease and the specific numeric rights and rate set forth above supplant the numeric rights and rate set forth in the Existing Lease.

10. Rights to Use of Acid Neutralization System

Exhibit A hereto reflects an area of approximately 66 rentable square feet of space on the 4th floor of the Building, which is hereby leased to the Lessee as part of the 5th Floor Expansion Space, containing an existing previously used acid neutralization system. Lessee shall have the exclusive right to use said acid neutralization system as of the 5th Floor Commencement Date. Lessor is providing said system in an "AS/IS" condition, without any representations or warranties relative to the foregoing system. Lessor shall not be responsible, directly or indirectly, for any consequences arising from Lessee's actual use of said acid neutralization system, or its suitability or performance; Lessee to be solely responsible therefor at its sole risk. Lessee shall be solely responsible for obtaining all necessary permits for the operation of said acid neutralization system (e.g. MWRA permits) and for the maintenance, repair and operation thereof from the 5th Floor Commencement Date up to the Amended Termination Date. Lessor shall reasonably cooperate with Lessee if such cooperation is needed in order for Lessee to obtain any permits required by Lessee in order to operate the acid neutralization system.

11. Lessee's Option to Locate, Install and Use Certain Equipment and Systems.

As of the 5th Floor Delivery Date Lessee shall have the option to procure and install, at its sole cost and expense in all instances, additional HVAC equipment, antennas, satellite dishes and related accessory equipment and connections on the roof of the Building, in locations that Lessor approves, such approval not to be unreasonably withheld or delayed, and to tie-in said equipment to the Leased Premises through areas of the Building that Lessor approves, such approval not to be unreasonably withheld or delayed. Lessor does not provide any representations or warranties relative to Lessee's determination as to the foregoing, nor shall Lessor be responsible, directly or indirectly, for any consequences arising from Lessee's selection, placement, use or operation of the same, or the suitability or performance of any of such equipment or installations; Lessee to be solely responsible therefor at its own risk. Lessee shall be solely responsible for obtaining all necessary permits for the operation of any such installations, and for the maintenance, repair and operation thereof from the 5th Floor Delivery Date up to the Amended Termination Date. Lessor shall reasonably cooperate with Lessee if such cooperation is needed in order for Lessee to install and/or operate any such equipment.

As of the 5th Floor Commencement Date Lessee shall have the right to shared use of the vacuum system, as it is currently serving, shared, and used by other tenant(s) on the fifth floor of the Building, in which case Lessee (a) shall be responsible to share in the costs and expenses of repairs, maintenance, servicing and operation thereof, pro rata with other actual users, to be evidenced by an executed side agreement with respect thereto in the form attached hereto as Exhibit C. Lessor is providing said system in an "AS/IS" condition, without any representations or warranties relative to the foregoing system. Lessor shall not be responsible, directly or indirectly, for any consequences arising from Lessee's actual use of said system or the suitability or performance of any of the equipment comprising said system or related thereto; Lessee to be solely responsible therefor at its sole risk, and Lessee confirming that it has inspected said systems to its satisfaction prior to the execution of this Lease and accepts the same in its current operating condition.

12. LESSEE's Right to Use of the Existing Emergency Generator

Lessee shall have the shared right to use the existing emergency generator that is fed to the 85 amp 120/208 v electrical panel currently serving the 5th Floor Expansion space, as of the 5th Floor Commencement Date. Lessee shall be responsible at its sole cost and expense to connect to said emergency generator, and to bring its systems on-line therewith. Lessor does not provide any representations or warranties relative to the foregoing, nor shall Lessor be responsible, directly or indirectly, for any consequences arising from Lessee's actual use of said emergency generator, or its suitability or performance; Lessee to be solely responsible for its use of the generator at its sole risk. Lessee shall be responsible to share in the costs and expenses of repairs, maintenance, servicing and operation thereof, pro rata with other actual users, to be evidenced by an executed side agreement with respect thereto in the form attached hereto as Exhibit D.

Alternatively, should Lessee at any time subsequently decide to install its own separate emergency generator, Lessor, within a reasonable time from receipt of said notice, shall designate a location, reasonably agreeable to Lessee, for Lessee to install and operate its own exclusive emergency generator, at Lessee's own cost and expense; Lessee to be solely responsible for such installation and the operation of its own exclusive emergency generator.

13. Lessee's Right of First Offer — Contiguous Fifth Floor Space

The following provisions of this Section 13 are subject and subordinate to the rights of any existing tenants in the Building as of the date hereof to claim and utilize the ROFO Space (as defined below).

Lessee, provided it is not then in default after notice and the expiration of any applicable grace or cure periods, and further provided it has not defaulted (without cure during any applicable grace and cure periods) more than two times during the period from execution of this Fifth Amendment up to any applicable ROFO Notice date hereunder, is hereby entitled to receive advance written notice from LESSOR during the Term of this Lease (as it may be extended) that any contiguous space on the fifth (5th) floor (only) of the Building (the "ROFO Space"), will be offered to third parties for leasing (the "ROFO Notice"). The Lessor's ROFO Notice to Lessee shall set forth the Lessor's "Market Rent" figure for Annual Base Rent and other economic terms at which such space is to be leased. The ROFO Space may be leased by Lessee for a period not less than twelve (12) months and not greater than sixty (60) months, but in any event to end no later than the Amended Termination Date.

Lessee shall have the right, within thirty (30) days from the delivery of Lessor's ROFO Notice, to elect to lease the ROFO Space by providing Lessor with a written notice accepting the ROFO Space delivered prior to the expiration of said thirty (30) day period. If Lessee shall not elect to lease the ROFO Space or if no notice electing to do so is delivered to Lessor during that thirty (30) day period, then Lessor shall be free to market and lease the space offered by the ROFO Notice to any third party, in its sole discretion and without any continuing obligation under this Section 13. Time is of the essence in the exercise of Lessee's rights as set forth above. Once delivered by Lessee, written notice to exercise Lessee's rights to the ROFO Space is irrevocable.

If Lessor and Lessee cannot agree on Market Rent for the ROFO Space, then either party may elect third party appraisal and arbitration rights as set forth in Section 15 hereof, and the parties shall be bound thereby.

14. Lessee's Option to Extend and Alternative Extension Scenarios

A. Exercise of the Mersana Extension Option

Lessee, provided it is not then in default after notice and the expiration of any applicable grace or cure periods, and further provided it shall not have defaulted beyond any applicable notice, grace and cure periods during the remaining Lease Term after execution of this Fifth Lease Amendment, shall have the option to further extend the Term of this Lease beyond the Amended Termination Date, as to the then entire Leased Premises (i.e. the Existing Leased Premises, and the 5th Floor Expansion Space, and also inclusive of any ROFO Space then being leased by Lessee on the terms and conditions set forth herein (the "Mersana Extension Option").

The extension shall be for one (1) additional period of thirty six (36) months (herein, the "Mersana Extension Period") at the then current Market Rent applied to the Existing Leased Premises, the 5th Floor Expansion Space (and any ROFO Space then being leased by it). The Three Year Extension Period shall commence immediately from the Amended Termination Date, and shall terminate on that date which is thirty six (36) consecutive full months thereafter. Lessee shall exercise its option by delivering to Lessor its written notice not later than twelve (12) full calendar months (but not sooner than fourteen (14) full calendar months) before the Amended Termination Date.

15. Market Rent Determination by Assent or Appraisal and Arbitration

"Market Rent" as used herein, shall be that rent charged for comparable research laboratory and office space of similar age and condition in laboratory buildings in the mid-Cambridge submarket as of the commencement of applicable lease period (including annual escalations thereon for each year based on increases in the Consumer Price Index or fixed increases, as the case may be, as determined by then prevailing market forces).

Notwithstanding any separate determination of Market Rent by means of the appraisal/arbitration process contemplated herein, the Lessee shall nevertheless be obligated to pay a minimum Annual Base Rent, factored as to each space, as follows:

(a) For the ROFO Space in the event of a ROFO election: The minimum Annual Base Rent amount shall be not less than the Annual Base Rent payable (calculated on a per square foot basis) for the 5th Floor Expansion Space for the last corresponding year in which the ROFO Space is to be leased (the "ROFO Rent Floor"); and,

(b) For the Existing Leased Premises and 5th Floor Expansion Space; and for the ROFO Space (if applicable, to the extent any ROFO election has been made); the

minimum Annual Base Rent amount for each such separate space shall be not less than the Annual Base Rent paid (calculated on a per square foot basis) for each such separate space the year prior to the Amended Termination Date (the "Extension Rent Floor"); and,

The ROFO Rent Floor and the Extension Rent Floor are also referred to herein as the "Applicable Rent Floor".

If, after good faith attempts the Lessor and Lessee cannot agree on a figure representing Market Rent for the applicable space and lease timeframe, then either party, upon written notice to the other, may request appraisal and arbitration of the issue as provided in this Section. Within fourteen (14) days of the request for appraisal, each party shall submit to the other the name of one unrelated individual or entity with proven expertise in the leasing of commercial real estate in greater Boston/Cambridge to serve as that party's appraiser. Each appraiser shall be paid by the party selecting him or it. The two appraisers shall each submit their final reports to the parties within thirty (30) days of their selection making their determination as to Market Rent (subject however, to the Applicable Rent Floor). The two appraisers shall meet within the next fourteen (14) days to reconcile their reports and collaboratively determine the Market Rent. They shall each make their determination in writing (subject however, to the Applicable Rent Floor), including a statement if such is the case, that they are at an impasse. Such a statement of impasse shall be submitted to the parties along with the Market Rent figure which each appraiser has selected and his reasons and substantiation therefor. The appraisers, in case of an impasse, shall also agree on one unrelated individual or entity with expertise in commercial real estate in greater Boston, who shall evaluate the reports of the two original appraisers and within fourteen (14) days of submission of the issue to him, make his own determination as to a figure representing Market Rent (subject however, to the Applicable Rent Floor). The determination of this individual or entity (i.e. arbitrator) absent, fraud, bias or undue prejudice shall be binding upon the parties.

Annual Base Rent and Additional Rent shall be payable in advance, in equal monthly installments on the first day of each calendar month.

Lessee, in addition to the sums payable annually to Lessor as Annual Base Rent, shall pay to Lessor for each year of the applicable period and for each space leased by Lessee as Additional Rent, Lessee's Allocable Percentage (as determined by the approximate total rentable space so leased) for Operating Expenses, Real Estate Taxes and utilities as contemplated in the Lease.

16. Subordination

The Lease as amended hereby shall be subject and subordinate to the lien of any and all mortgages and related documents placed on the Building, Leased Premises or the real property in existence as of the date hereof or coming into existence at any time hereafter, without necessity for any confirming documentation. Lessee shall use commercially reasonable efforts (which shall not be deemed to include the payment or expenditure of any sums whatsoever) to obtain a Subordination, Non-Disturbance and Attornment Agreement from its present and future mortgagees, in form and substance set forth in the Fourth Lease Amendment; but Lessor shall

not be liable to Lessee in any manner (nor shall any of Lessee's full and timely performance under this Lease be conditioned, waived, excused or altered in any manner whatsoever) if no SNDA is forthcoming, or if any of the terms and conditions of the same are not deemed acceptable. This provision supersedes any contrary provisions of the Existing Lease.

17. Integration of Documents; Supremacy; Miscellaneous

This Fifth Lease Amendment contains the full understanding and agreement between the parties. The parties hereto intend that this Fifth Lease Amendment operates to amend and modify the Existing Lease, and that those two documents shall be interpreted conjunctively; with any express conflict between the two to be resolved in favor of the stated terms of this Fifth Lease Amendment. Except as modified hereby, all other terms and conditions of the Existing Lease shall remain unchanged and enforceable in a manner consistent with this Fifth Lease Amendment.

This Agreement shall be governed by the laws of the Commonwealth of Massachusetts. Any provisions deemed unenforceable shall be severable, and the remainder of this Fifth Lease Amendment and the Existing Lease shall be enforceable in accordance with their terms.

Time is of the essence with respect to all deadlines and other provisions of this Fifth Lease Amendment.

[Signature Pages Follow]

LESSOR

RIVERTECH ASSOCIATES II, LLC

By: Rivertech Associates II, Inc.,
its Manager

By: /s/ Robert Epstein
Name: Robert Epstein
Title: President

LESSEE

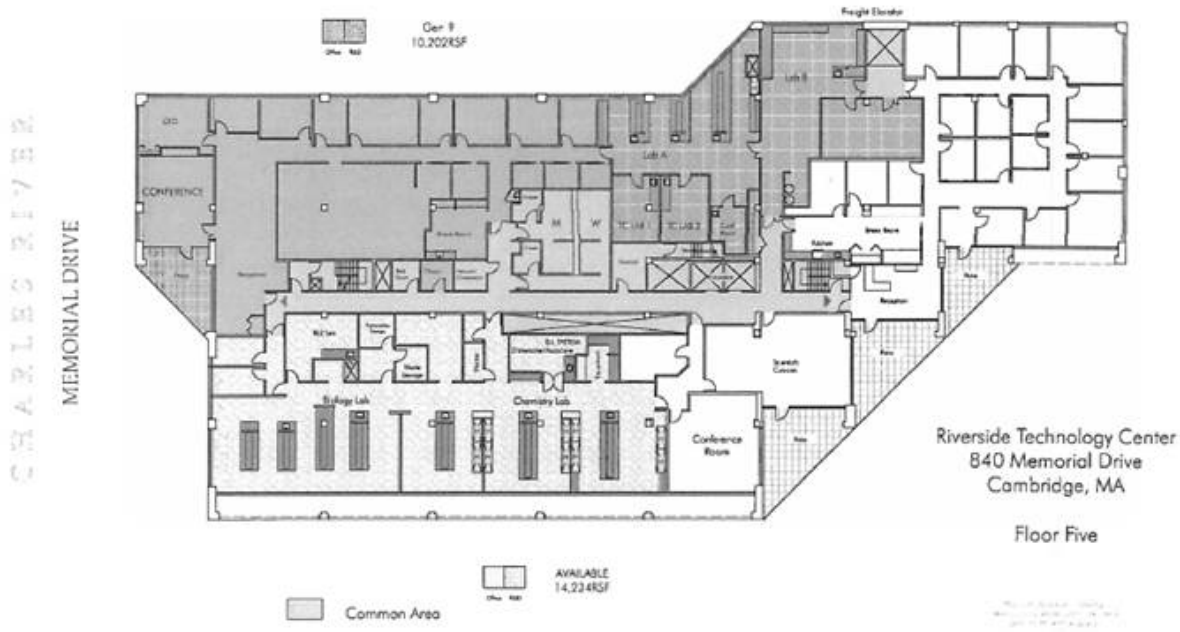
MERSANA THERAPEUTICS, INC.

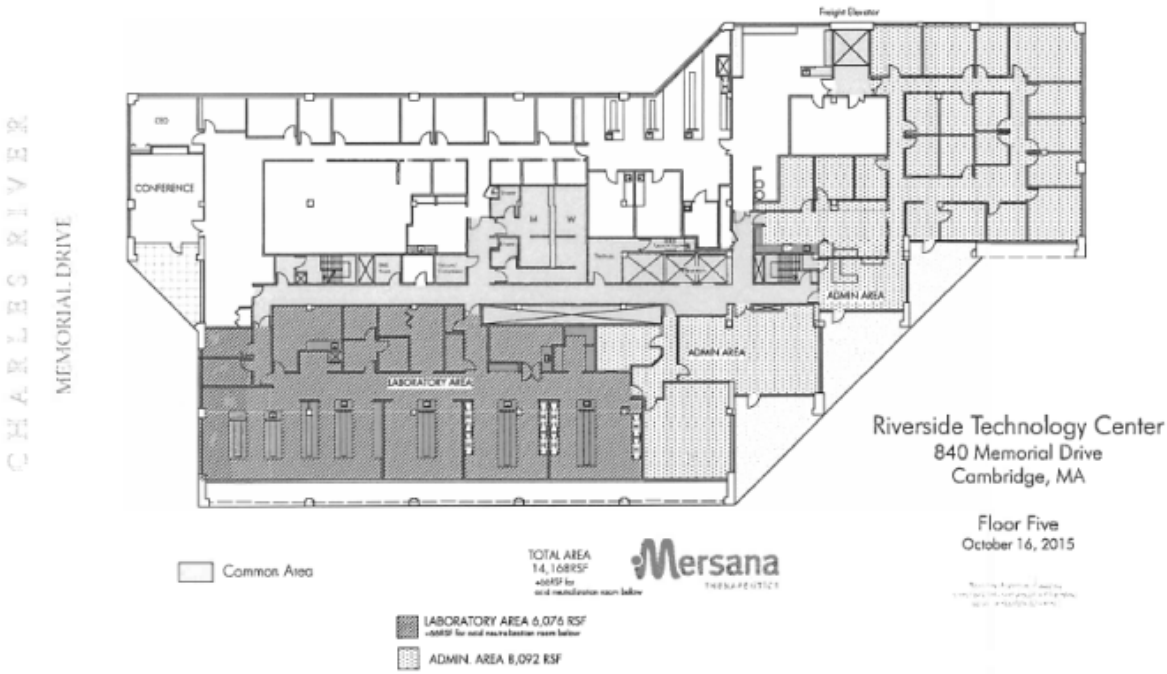
By: /s/ Anna Protopapas

its duly authorized President/Vice President

By: /s/ Eva Jack

Its duly authorized Treasurer/Ass't Treasurer





THE ABBEY GROUP

November 30, 2015

Mersana Therapeutics, Inc.
840 Memorial Drive
Cambridge, MA 02139

Attn: Wayne Foster

Re: Riverside Technology Center, Cambridge, MA
Lease Between Rivertech Associates II, LLC and
Mersana Therapeutics, Inc.
Emergency Generator Side Letter

Dear Tenant:

Reference is made to the Fifth Lease Extension and Modification Agreement for certain 5th Floor Expansion Space at 840 Memorial Drive, Cambridge, MA (Riverside Technology Center) dated as of November 30, 2015 (herein, the "Lease") between Rivertech Associates II, LLC ("Lessor") and Mersana Therapeutics, Inc. ("Lessee"). Capitalized terms used in this letter and not otherwise defined herein shall have the meaning ascribed to such terms in the Lease.

The 5th Floor Expansion Space shares with other tenants an existing emergency generator that is owned by the Landlord. As such, this side letter will memorialize the agreement between Mersana and Lessor for the use of this emergency generator (the "Emergency Generator").

Lessee shall be entitled to use the Emergency Generator provided it agrees with the following. Lessor will maintain and service the Emergency Generator during the Term. The existing submeter will allow readings of Lessee's own use. Lessor shall be entitled to access the submeter periodically and shall invoice Lessee for its use, which invoices shall be paid by Lessee within thirty (30) days of receipt, said payments to be considered to be Additional Rent hereunder. As an express condition to Lessee's use of the Emergency Generator as provided above, Lessee agrees its use of the Emergency Generator shall be at its sole risk at all times, and that Lessor shall not be liable for any claims, damages or liabilities arising from the operation or malfunction of the Emergency Generator, unless Lessor fails to adequately maintain or service the Emergency Generator.

575 Boylston Street
Boston, Massachusetts
02116
617 266-8860
Fax 617 266-7424

All tenants sharing use of the Emergency Generator, from time to time, shall pay their own proportional share for its operation (including without limitation all costs and expenses of service and maintenance), with Lessee to be responsible for its respective proportional share. Payments shall be made within thirty (30) days of invoicing by Lessor. Cost sharing allocations shall be based on the amount of power (amperage) allocated to each such tenant by Lessor, such that all tenants engaged in such sharing shall account for 100% of all such costs. For example, two tenants sharing the emergency generator where tenant A is allocated 30% and tenant B allocated 70% shall share all such costs in that proportion; if a third tenant is added such that tenant A is allocated 30%, tenant B allocated 40%, and tenant C allocated 30% then they shall share all such costs in that proportion; etc.

Please sign below to show your acceptance of these terms.

Mersana Therapeutics, Inc.

By: /s/ Anna Protopapas

Rivertech Associates II, LLC

By: /s/ Robert Epstein

THE ABBEY GROUP

November 30, 2015

Mersana Therapeutics, Inc.
840 Memorial Drive
Cambridge, MA 02139

Attn: Wayne Foster

Re: Riverside Technology Center, Cambridge, MA
Lease Between Rivertech Associates II, LLC and
Mersana Therapeutics, Inc.
Shared Vacuum Pump, Air Compressor and RODI Water Side Letter

Dear Tenant:

Reference is made to the Fifth Lease Extension and Modification Agreement for certain 5th Floor Expansion Space at 840 Memorial Drive, Cambridge, MA (Riverside Technology Center) dated as of November 30, 2015 (herein, the "Lease") between Rivertech Associates II, LLC ("Lessor") and Mersana Therapeutics, Inc. ("Lessee"). Capitalized terms used in this letter and not otherwise defined herein shall have the meaning ascribed to such terms in the Lease.

After further reviewing options with the Lessor there is the opportunity for Lessee and other tenants on the 4th and 5th floors of the Building to share the existing vacuum pump, air compressor and RODI water (which shall collectively be known as "Shared Equipment"). As such, this side letter will memorialize the agreement between Lessee and Lessor for the use of the Shared Equipment, if Lessee chooses this option.

Accordingly, if Lessee decides to participate in the use of the Shared Equipment, Lessee shall be entitled to do so provided it agrees with the following. Lessor will maintain and service the Shared Equipment during the Term. As an express condition to Lessee's use of the Shared Equipment as provided above, Lessee agrees its use of the Shared Equipment shall be at its sole risk at all times, and that Lessor shall not be liable for any claims, damages or liabilities arising from the operation or malfunction of the Shared Equipment, unless Lessor fails to adequately maintain or service the Shared Equipment. Any complete malfunction or

destruction of the Shared Equipment shall be at the sole risk of the parties actually using the Shared Equipment and Lessor shall not have any responsibility to repair or replace the same, unless such malfunction or destruction is caused by Lessor's failure to adequately maintain or service the Shared Equipment. Notwithstanding anything else contained herein, Lessor shall indemnify Lessee against any claims, damages or liabilities arising from the use of any of the Shared Equipment

575 Boylston Street
Boston, Massachusetts
02116
617 266-8860
Fax 617 266-7424

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located within the Premises arising from the use of the same by another tenant.

All tenants sharing use of the Shared Equipment, from time to time, shall pay their own proportional share for its operation (including without limitation all costs and expenses of service and maintenance), with Lessee to be responsible for its respective proportional share. Payments shall be made within thirty (30) days of invoicing by Lessor.

Cost sharing allocations shall be allocated to each such tenant by Lessor pari-passu, such that all tenants engaged in such sharing shall account for 100% of all such costs. For example, two tenants sharing the Shared Equipment shall each be allocated 50% of all such costs in that proportion; if a third tenant is added then they each shall be allocated 33.33% of all such costs in that proportion; etc.

If at any time any of the parties using the Shared Equipment determines to discontinue participation in sharing and using of the Shared Equipment they may do so with 30 days written notice to the Lessor.

Please sign below to show your acceptance of these terms.

Mersana Therapeutics, Inc.

By: /s/ Anna Protopapas

Rivertech Associates II, LLC

By: /s/ Robert Epstein

Exhibit 10.4

CONFIDENTIAL

COLLABORATION AND COMMERCIAL

LICENSE AGREEMENT

between

MERSANA THERAPEUTICS, INC.

and

MERCK KGaA

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

TABLE OF CONTENTS

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

SCHEDULES AND EXHIBITS

SCHEDULES

EXHIBITS

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

COLLABORATION AND COMMERCIAL LICENSE AGREEMENT

This Collaboration and Commercial License Agreement, effective as of June 23, 2014 ("**Effective Date**"), is by and between Mersana Therapeutics, Inc., a Delaware corporation, having its principal place of business at 840 Memorial Drive Cambridge, MA 02139 ("**Mersana**") and Merck KGaA, a corporation with general partners having its principal place of business at Frankfurter Str. 250, 64293 Darmstadt, Germany ("**Merck**"). Mersana and Merck may be referred to in this Agreement individually as a "**Party**" or collectively as the "**Parties**".

BACKGROUND

WHEREAS, Mersana Controls certain intellectual property rights relating to Antibody-drug conjugates;

WHEREAS, Merck is engaged in the Development and Commercialization of pharmaceutical products;

WHEREAS, Mersana and Merck desire to establish a cooperative relationship in order to Develop and Commercialize new Antibody-drug conjugates as pharmaceutical drug products; and

WHEREAS, Merck desires to license from Mersana and Mersana wishes to license to Merck, on an exclusive basis, the right to Develop and Commercialize Antibody-drug conjugates as pharmaceutical drug products as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Definitions and Interpretation.

1.1. Definitions. For the purposes of this Agreement the following words and phrases will have the following meanings:

1.1.1. "**ADC**" means an Antibody Directed to a Designated Target conjugated to one or more Cytotoxic Compounds using Mersana Platform Technology, which ADC is created pursuant to this Agreement.

1.1.2. "**ADC Materials**" is defined in Section 2.2.1.3.

1.1.3. "**Affiliate**" of a Party means a 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. As used in this Section 1.1.3, the term "control" means the direct or indirect ownership of fifty percent (50%) or more of the stock having the right to vote for directors thereof or the ability to otherwise control the management thereof.

1.1.4. "**Agreement**" means this Collaboration and Commercial License

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Agreement, together with all schedules, amendments and supplements hereto.

1.1.5. "**Antibody**" means an unconjugated polyclonal or monoclonal antibody (whether (a) fully human, fully mouse, humanized, phage display, chimeric, polyclonal, polyclonal mixes or any other type of antibody, (b) multiple or single chain, recombinant, *in vivo*, *in vitro* or naturally occurring or a combination of any of the foregoing in any species or (c) monospecific, bi-specific, or multi-specific or any analog, derivative, fragment or modification thereof (including a full antibody, scFv, scFvFc, Fab, minibody, etc.)).

1.1.6. "**Antigen**" means (a) any protein (including any glyco- or lipo-protein), carbohydrate, compound or other composition that stimulates the production of Antibodies or against which Antibodies are Directed, or (b) any naturally occurring isoform or variants thereof. The whole protein, carbohydrate, compound or other composition as well as a portion of the whole is considered the same Antigen.

1.1.7. "**Applicable Law**" means a law or statute, any rule or regulation issued by a Governmental Authority or Regulatory Authority and any judicial, governmental, or administrative order, judgment, decree, or ruling, in each case as applicable to the subject matter and the parties at issue and having a binding effect on it and them.

1.1.8. "**Available**" is defined in Section 2.4.2.1.

1.1.9. "**Bankruptcy Code**" is defined in Section 11.4.

1.1.10. "**BLA**" is defined in the definition of Regulatory Approval.

1.1.11. "**Breaching Party**" is defined in Section 11.3.

1.1.12. "**Business Day**" means a day on which national banks located in the Commonwealth of Massachusetts and Germany are open for commercial banking business other than a Saturday or Sunday.

1.1.13. "**Calendar Quarter**" means a three (3) month period beginning on January 1, April 1, July 1 or October 1 of any Calendar Year, except that (a) the first Calendar Quarter of the Term shall extend from the Effective Date to the end of the first full Calendar Quarter thereafter, and (b) the last Calendar Quarter of the Term shall end upon the expiration or termination of this Agreement.

1.1.14. "**Calendar Year"** means, (a) for the first Calendar Year, the period commencing on the Effective Date and ending on December 31 of the year during which the Effective Date occurs, (b) for the last Calendar Year, the period commencing on January 1 of the last year of the Term, and ending on the last day of the Term, and (c) each interim period of twelve (12) months commencing on January 1 and ending on December 31.

1.1.15. "**Change in Control**" means, with respect to a Party, (a) a merger or consolidation in which (i) such Party is a constituent party, or (ii) a subsidiary of such Party is a constituent party, and such entity in clause (i) or (ii) issues shares of its capital stock pursuant to

such merger or consolidation, except in the case of either clause (i) or (ii) any such merger or consolidation involving such Party or a subsidiary of such Party in which the shares of capital stock of such entity outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or are exchanged for shares of capital stock which represent, immediately following such merger or consolidation more than fifty percent (50%) by voting power of the capital stock of (A) the surviving or resulting corporation or (B) the parent corporation of such surviving or resulting corporation, in the case that the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation; (b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by such Party or a subsidiary of such Party of all or substantially all of the assets of such Party or such subsidiary of such Party taken as a whole (except where such sale, lease, transfer, exclusive license or other disposition is only to a wholly owned subsidiary of such Party or a subsidiary of such Party); or (c) any "person" or "group," as such terms are defined in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, and the rules thereunder (collectively, the "**Exchange Act**") in a single transaction or series of related transactions, becomes the beneficial owner as defined under the Exchange Act, directly or indirectly, whether by purchase or acquisition or agreement to act in concert or otherwise, of fifty percent (50%) or more by voting power of the then-outstanding capital stock or other equity interests of such Party or a subsidiary of such Party, other than pursuant to a bona fide financing.

1.1.16. "**Claim**" is defined in Section 12.1.1.

1.1.17. "**Clinical Trial**" means a clinical trial in human subjects that has been approved by a Regulatory Authority and an Institutional Review Board or Ethics Committee, and is designed to measure the safety and/or efficacy of a Licensed Product. Clinical Trials shall include Phase I Clinical Trials, Phase II Clinical Trials and Phase III Clinical Trials.

1.1.18. "**Combination Product**" means a pharmaceutical product that consists of an ADC and other active compounds or active ingredients sold as a single formulation or any combination of a Licensed Product sold together with another pharmaceutical product for a single invoiced price.

1.1.19. "**Commercialize**" or "**Commercializing**" means to market, promote, distribute, offer for sale, sell, have sold, import, have imported, export, have exported or otherwise commercialize a compound or product. When used as a noun, "**Commercialization**" means activities involved in Commercializing.

1.1.20. "**Commercially Reasonable Efforts**" means: (a) with respect to the efforts to be expended by a Party with respect to any objective, such reasonable, diligent, and good faith efforts as such Party would normally use to accomplish a similar objective under similar circumstances; and (b) with respect to any objective relating to Development or Commercialization of a Licensed Product by a Party, the application by such Party, consistent with the exercise of its prudent scientific and business judgment, of diligent efforts and resources to fulfill the obligation in issue, consistent with the level of efforts such Party would devote to a product at a similar stage in its product life as such Licensed Product and having profit potential

and strategic value comparable to that of such Licensed Product, taking into account, without limitation, commercial, legal and regulatory factors, target product profiles, product labeling, past performance, the regulatory environment and competitive market conditions in the therapeutic area, safety and efficacy of such Licensed Product, the strength of its proprietary position and such other factors as such Party may reasonably consider, all based on conditions then prevailing. For clarity, Commercially Reasonable Efforts will not mean that a Party guarantees that it will actually accomplish the applicable task or objective.

1.1.21. "**Competing Product**" means with respect to a Licensed Product in a country of the Territory, [***], the Manufacture, use or sale of which in such country would infringe a pending or granted claim of a Mersana Patent Right or Mersana Platform Patent Right in such country, and which in the case of a pending claim, such pending claim were to be granted in the form in which it is pending at the time of the first sale of such Antibody drug conjugate in such country.

1.1.22. "**Confidential Information**" of a Party, means information relating to the business, operations or products of a Party or any of its Affiliates, including any Know-How, that such Party discloses to the other Party under this Agreement, or information of a Party that otherwise becomes known to the other Party by virtue of this Agreement; ***provided***, that notwithstanding anything to the contrary, (a) Confidential Information constituting Mersana Know-How, Mersana Platform Know-How or Mersana Regulatory Documentation will be Confidential Information of Mersana (and Mersana will be deemed the disclosing Party and Merck the receiving Party with respect thereto) and (b) Confidential Information constituting Merck Know-How, Product Know-How or Merck Regulatory Documentation will be Confidential Information of Merck (and Merck will be deemed the disclosing Party and Mersana the receiving Party with respect thereto).

1.1.23. "**Control**" means, with respect to any information or intellectual property right, possession, whether directly or indirectly, by a Party or its Affiliates (including, except as described below, a Future Acquirer) of the ability (whether by sole, joint or other ownership interest, license or

otherwise, other than pursuant to the grants set forth in this Agreement) to grant the right to access or use, or to grant a license or a sublicense to, such information or intellectual property right as provided for herein without violating the terms of any agreement or other arrangement with any Third Party. Notwithstanding the foregoing, any information or intellectual property right Controlled by a Future Acquirer of Mersana will not be treated as "**Controlled**" by Mersana or its Affiliates for purposes of this Agreement to the extent, but only to the extent, that such intellectual property (a) is Controlled by such Future Acquirer of Mersana prior to the time such Future Acquirer qualifies as such, other than pursuant to a license or other grant of rights (whether directly or indirectly) by Mersana or its Affiliates, or (b) is Controlled by such Future Acquirer subsequent to the time that such Future Acquirer qualifies as such but either (i) was not Controlled by Mersana or any of its existing Affiliates prior to the time such Future Acquirer qualifies as such or (ii) did not come under the Control of such Future Acquirer due to any license or other grant of rights by Mersana or its Affiliates or any reference or access to any Merck Technology, Product Technology, Mersana Technology, Mersana Platform Technology or any other Confidential Information of Merck or information or intellectual property right Controlled by Mersana or any of its Affiliates (other than information

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or intellectual property Controlled by a Future Acquirer that would be excluded by clause (a) or (b)(i) of this Section 1.1.23).

1.1.24. "**Cytotoxic Compound**" means the Mersana Cytotoxic Compounds, the Merck Cytotoxic Compounds and the Public Domain Cytotoxic Compounds.

1.1.25. "**Designated Target"** means each Antigen designated by Merck under Section 2.4.

1.1.26. **"Develop**" or "**Developing**" means to discover, research or otherwise develop a process, compound or product, including conducting non-clinical and clinical research and development activities. When used as a noun, "**Development**" means activities involved in Developing.

1.1.27. "**Directed**" means, with respect to one or more Antigens, that an Antibody, Antibody drug conjugate or an ADC is selected, generated or optimized to preferentially bind to such Antigen or Antigens. For clarity, in the case of a bi-specific or multi-specific Antibody, such Antibody will be deemed to be Directed to those two (2) or more Antigens to which such Antibody has been selected, generated or optimized to preferentially bind.

1.1.28. "**Drug Master File**" means a voluntary submission to the FDA that may be used to provide confidential, detailed information about an ADC, Licensed Product, or Mersana Cytotoxic Compound, Merck Cytotoxic Compound, Public Domain Cytotoxic Compound or any other Mersana Technology or Mersana Platform Technology used to create an ADC or a Licensed Product, and Manufacturing (including the facilities used therefor) any of the foregoing.

1.1.29. "**Effective Date**" is defined in the introduction to this Agreement.

1.1.30. "**Estimated Pre-Payment**" is defined in Section 6.2.2.1(b).

1.1.31. "**European Union**" means the economic, scientific and political organization of member states of the European Union as it may be constituted from time to time.

1.1.32. "**Event of Force Majeure**" is defined in Section 13.1.

1.1.33. "**Exchange Act**" is defined in the definition of Change in Control.

1.1.34. "**Exclusive License**" is defined in Section 3.2.

1.1.35. **"Exploit"** means make, have made, import, use, sell or offer for sale, including to research, Develop, Commercialize, register, Manufacture, have Manufactured, hold or keep (whether for disposal or otherwise), have used, export, transport, distribute, promote, market or have sold or otherwise dispose of. "**Exploitation**" means the act of Exploiting a compound, product or process.

1.1.36. "**Extensions**" is defined in Section 8.3.7.

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1.1.37. "**FD&C Act**" means the United States Federal Food, Drug & Cosmetic Act, as amended, together with any rules, regulations and requirements promulgated thereunder (including all additions, supplements, extensions and modifications thereto).

1.1.38. "**FDA**" means the United States Food and Drug Administration, and any successor agency thereto.

1.1.39. "**Field**" means diagnoses, prevention, control, palliation, or treatment of human and animal conditions, diseases or disorders.

1.1.40. "**First Commercial Sale**" means, with respect to any Licensed Product and with respect to any country of the Territory, the first commercial transfer or disposition for value of a Licensed Product by Merck, its Affiliates or Sublicensees to a Third Party following, if required by Applicable Law, Regulatory Approval and Pricing Approval of such Licensed Product and, when Regulatory Approval and Pricing Approval are not required by Applicable Law for the Licensed Product, the first commercial sale in that country, in each case for use or consumption of such Licensed Product in such country by the

general public; ***provided***, that sales for clinical study purposes or compassionate, named patient (paid or unpaid) or similar use will not constitute a First Commercial Sale.

1.1.41. "**Fleximer**®" means Mersana's biodegradable polymer platform, poly(hydroxymethylethylene)hydroxymethyl formal, in any of its forms and sizes and varieties that are incorporated into an ADC or otherwise delivered to Merck pursuant to a Research Plan.

1.1.42. "**FTE**" means one person (or the equivalent of one person) working full time for a twelve (12) month period in a Development, regulatory or other relevant capacity employed or contracted by a Party and assigned to perform specified work, with such commitment of time and effort to constitute one employee performing such work on a full-time basis, which for purposes hereof will be [***] hours per year.

1.1.43. **"FTE Fees"** is defined in Section 6.2.1.

1.1.44. "**FTE Rate**" means the fully-loaded annual cost for the work of one FTE of [***].

1.1.45. "**Future Acquirer**" means a Third Party to any Change in Control transaction involving Mersana and such Third Party or any of such Third Party's Affiliates, existing immediately prior to such Change in Control.

1.1.46. "**Future Mersana In-License**" means an agreement between Mersana or an Affiliate of Mersana and a Third Party, entered into after the Effective Date, pursuant to which Mersana has, but for the second proviso of this Section 1.1.46, acquired Control of certain Mersana Technology or Mersana Platform Technology; ***provided*** that such agreement will not be deemed to be a Future Mersana In-License unless and until the Parties have agreed upon the economic terms pursuant to which Merck may access such Mersana Technology or Mersana Platform Technology pursuant to Section 6.3.4.2(b); and ***provided further*** that such Mersana Technology or Mersana Platform Technology will not be deemed to be in the "Control" of

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Mersana unless and until the Parties so agree pursuant to Section 6.3.4.2(b).

1.1.47. "**Gatekeeper**" means the [***] as may be agreed by the Parties in writing from time to time.

1.1.48. "**GLP Toxicology Studies**" means, with respect to a Licensed Product, animal studies conducted in accordance with GLP and intended to support an IND for such Licensed Product.

1.1.49. "**Good Clinical Practices**" means the then-current standards for good clinical practices for pharmaceuticals, as set forth in the FD&C Act and applicable regulations and guidance promulgated thereunder, including the Code of Federal Regulations, as amended from time to time, or under any other Applicable Laws.

1.1.50. "**Good Laboratory Practices**" or "**GLP**" means the then-current standards for good laboratory practices for pharmaceuticals, as set forth in the FD&C Act and applicable regulations and guidance promulgated thereunder, including the Code of Federal Regulations, as amended from time to time, or under any other Applicable Laws.

1.1.51. "**Good Manufacturing Practices**" means the then-current standards for good manufacturing practices for pharmaceuticals, as set forth in the FD&C Act and applicable regulations and guidance promulgated thereunder, including the Code of Federal Regulations, as amended from time to time, or under any other Applicable Laws.

1.1.52. "**Governmental Authority**" means an applicable multi- or supra-national, federal, state, local, municipal or other government authority of any nature (including any governmental division, prefecture, subdivision, department, agency, bureau, branch, office, commission, council, court or other tribunal).

1.1.53. "**IFRS**" means International Financial Reporting Standards.

1.1.54. "**IND**" means (a) in the United States, an Investigational New Drug Application, as defined in the FD&C Act, filed with the FDA that is required to be filed with the FDA before conducting a Clinical Trial (including all supplements and amendments that may be filed with respect to the foregoing); and (b) any foreign counterpart of the foregoing.

1.1.55. "**Indemnitee**" is defined in Section 12.2.

1.1.56. "**Indemnitor**" is defined in Section 12.2.

1.1.57. "**Joint Intellectual Property Committee**" or "**JIPC**" is defined in Section 2.5.4

1.1.58. "**Joint Know-How**" means Know-How that is invented, conceived, or developed jointly by or on behalf of both Parties in the course of conducting their activities under this Agreement. If any Know-How would otherwise constitute both Product Know-How and Joint Know-How, then such Know-How will be deemed to be Product Know-How. If any Know-

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How would otherwise constitute both Mersana Platform Know-How and Joint Know-How, then such Know-How will be deemed to be Mersana Platform Know-How.

1.1.59. "**Joint Patent Right**" means a Patent Right that claims Joint Know-How.

1.1.60. "**Joint Project Team"** or **"JPT**" is defined in Section 2.5.3.1.

1.1.61. "**Joint Technology**" means the Joint Know-How and the Joint Patent Rights.

1.1.62. "**Know-How**" means proprietary technical information, processes, formulae, data, inventions, methods, knowledge, discoveries, inventions, know-how, trade secrets and other information, whether or not patentable, but that is not generally known, including any tangible embodiments of the foregoing.

1.1.63. "**Liability**" is defined in Section 12.1.1.

1.1.64. "**Licensed Product**" means a [***] that incorporates one or more ADCs Directed to a Designated Target.

1.1.65. "**Linker**" is defined in the definition of Mersana Platform Know-How.

1.1.66. "**Major Market Country**" means each of the United States, Japan, France, Germany, Italy, Spain and the United Kingdom.

1.1.67. "**Manufacture**" or "**Manufacturing**" means to make, produce, manufacture, process, fill, finish, package, label, perform quality assurance testing, release, ship or store a compound or product or any intermediate or component thereof. When used as a noun, "**Manufacture**" or "**Manufacturing**" means activities involved in Manufacturing a compound or product or any intermediate or component thereof.

1.1.68. "**Merck**" is defined in the introduction to this Agreement.

1.1.69. "**Merck Antibody**" means an Antibody Directed to a Designated Target [***] Merck to Mersana for inclusion in an ADC under a Research Program.

1.1.70. **"Merck Cytotoxic Compound"** means any [***] that Merck, or its Affiliates Control as of the Effective Date or at any time during the Term.

1.1.71. "**Merck Know-How**" means Know-How, excluding Product Know-How (a) that is Controlled by Merck or any Affiliate of Merck as of the Effective Date or at any time during the Term and (b) that is necessary or useful to Exploit ADCs or Licensed Products.

1.1.72. "**Merck Patent Right**" means a Patent Right that claims Merck Know-How.

1.1.73. "**Merck Regulatory Documentation**" means Regulatory

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Documentation owned or Controlled by Merck or any of its Affiliates on or after the Effective Date relating to an ADC or a Licensed Product.

1.1.74. "**Merck Technology**" means the Merck Patent Rights and the Merck Know-How.

1.1.75. "**Mersana**" is defined in the introduction to this Agreement.

1.1.76. "**Mersana Cytotoxic Compound**" means [***] that Mersana or its Affiliates Control as of the Effective Date or at any time during the Term. Mersana Cytotoxic Compounds include the compounds listed on Schedule 1.1.76.

1.1.77. "**Mersana Know-How**" means Know-How, excluding Mersana Platform Know-How, (a) that is Controlled by Mersana or any Affiliate of Mersana as of the Effective Date or at any time during the Term and (b) that is necessary or useful to Exploit ADCs or Licensed Products.

1.1.78. "**Mersana Patent Right**" means a Patent Right that claims Mersana Know-How. Mersana Patent Rights existing as of the Effective Date include all Patent Rights listed on Schedule 1.1.78

1.1.79. "**Mersana Platform Know-How**" means Know-How

(a) that is Controlled by Mersana or any Affiliate of Mersana as of the Effective Date or at any time during the Term, including pursuant to Section 8.2.1, and any Know-How that is invented, conceived, or developed (A) by either or both Parties, or its or their Affiliates or Third Parties acting on its or their behalf, in each case in the course of conducting its or their activities under this Agreement or (B) by or on behalf of any Sublicensee in the course of conducting activities under a permitted sublicense hereunder, and

(b) to the extent relating to or consisting of

(i) a Mersana Cytotoxic Compound,

(ii) [***],

(iii) the conjugation of a Mersana Cytotoxic Compound to a linker,

(iv) the conjugation of a pharmaceutical compound to a Linker,

(v) [***],

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(vi) [***].

If any Know-How would otherwise constitute both Mersana Platform Know-How and Joint Know-How, then such Know-How will be deemed to be Mersana Platform Know-How. It is agreed that all Know-How to the extent solely related to a Designated Target, Licensed Product, an ADC or a Merck Cytotoxic Compound shall not constitute Mersana Platform Know-How.

1.1.80. "**Mersana Platform Patent Right**" means a Patent Right that claims Mersana Platform Know-How. Mersana Platform Patent Rights existing as of the Effective Date includes all Patent Rights listed on Schedule 1.1.80.

1.1.81. "**Mersana Platform Technology**" means the Mersana Platform Know-How and the Mersana Platform Patent Rights. To the extent and subject to the proviso in the first sentence of Section 3.2, the rights granted to Mersana under the TUBE Agreement and the MGH Agreement shall be included in Mersana Platform Technology when the conditions set forth in such proviso have been met.

1.1.82. "**Mersana Prosecution Patent Rights**" is defined in Section 10.2.3.

1.1.83. "**Mersana Regulatory Documentation**" means Regulatory Documentation owned or Controlled by Mersana or any of its Affiliates on or after the Effective Date relating Mersana Technology or Mersana Platform Technology, in each case, that is necessary or useful to Exploit an ADC or a Licensed Product.

1.1.84. "**Mersana Technology**" means the Mersana Patent Rights and the Mersana Know-How.

1.1.85. "**Mersana Trademarks**" is defined in Section 8.6.3.

1.1.86. "**MGH Agreement**" is defined in Schedule 1.1.94.

1.1.87. "**MGH Agreement Term**" means the period commencing on the Effective Date and ending on the date of the [***].

1.1.88. "**MGH Patents**" means the Patent Rights set forth in rows 1-7 of Schedule 1.1.80.

1.1.89. "**NDA**" is defined in the definition of Regulatory Approval.

1.1.90. "**Net Sales**" means the gross amounts invoiced by Merck, its Affiliates and Sublicensees for sales of a Licensed Product to independent or unaffiliated Third Party purchasers of such Licensed Product, *less the following deductions* with respect to such sales to the extent that such amounts are either included in the billing as a line item as part of the gross amount invoiced, or otherwise documented in accordance with IFRS to be specifically attributable to actual sales of such Licensed Product.

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(a) trade discounts, including trade, cash and quantity discounts or rebates, credits or refunds (including inventory management fees, discounts or credits);

(b) allowances or credits actually granted upon claims, returns or rejections of products, including recalls, regardless of the party requesting such recall;

(c) bad debts ***provided*** that the amount of any bad debts deducted pursuant to this Section 1.1.90(c) and actually collected in a [***] shall be included in Net Sales for such [***];

(d) charges included in the gross sales price for freight, insurance, transportation, postage, handling and any other charges relating to the sale, transportation, delivery or return of such Licensed Product;

(e) customs duties, sales, excise and use taxes and any other governmental charges (including value added tax) actually paid in connection with the transportation, distribution, use or sale of such Licensed Product (but excluding what is commonly known as income taxes);

(f) rebates and chargebacks or retroactive price reductions made to federal, state or local governments (or their agencies), or any Third Party payor, administrator or contractor, including managed health organizations; and

(g) cash considerations given directly or indirectly to Third Parties related to import, distribution or promotion of the Licensed Product, unless such consideration is given in return for a separable service received, which alternatively available from a Third Party (specifically excluding any commissions paid to sales personnel, sales representatives and sales agents who are employees or consultants of the selling Party or its Affiliates or any Sublicensees).

If a Licensed Product under this Agreement is sold in form of a Combination Product, then Net Sales for such Combination Product shall be determined on a [***] by mutual agreement of the Parties in good faith taking into account the perceived relative value contributions of the Licensed Product and the other ingredient or component in the Combination Product, as reflected in their respective market prices. In case of disagreement, an independent expert agreed upon by both Parties or, failing such agreement, designated by the International Chamber of Commerce, shall determine such relative value contributions and such determination shall be final and binding upon the Parties. The Parties shall commence discussions to reach agreement on the method for determining Net Sales pursuant to this paragraph no later than [***] months prior to the anticipated commercial launch of such Combination Product; ***provided*** that, in the event such method is not determined pursuant to this paragraph prior to the commercial launch of such Combination Product, then Merck shall in any event make payment to Mersana attributing not less than [***] of sales of such Combination Product to Net Sales, and the Parties shall reconcile such payments to actual Net Sales as determined pursuant to this paragraph when such method has been so determined. If the agreed attributed value

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percentage is not equal to [***], the reconciliation between the Parties shall be made within [***] days of such agreeement.

In the event a Licensed Product is "bundled" for sale together with one or more other products in a country (a "**Product Bundle**"), then Net Sales for such Licensed Product shall be determined on a [***] by mutual agreement of the Parties in good faith taking into account the relative value contributions of the Licensed Product and the other products in the Product Bundle, as reflected in their individual sales prices. In case of disagreement, an independent expert agreed upon by both Parties or, failing such agreement, the International Chamber of Commerce shall determine such relative value contributions and such determination shall be final and binding upon the Parties. The Parties shall commence discussions to reach agreement on the method for determining Net Sales pursuant to this paragraph no later than [***] months prior to the anticipated commercial launch of such Product Bundle; ***provided*** that, in the event such method is not determined pursuant to this paragraph prior to the commercial launch of such Product Bundle, then Merck shall in any event make payment to Mersana attributing not less than [***] of sales of such Product Bundle to Net Sales, and the Parties shall reconcile such payments to actual Net Sales as determined pursuant to this paragraph when such method has been so determined. If the agreed attributed value percentage is not equal to [***], the reconciliation between the Parties shall be made within [***] days of such agreeement.

All of the foregoing deductions from the gross invoiced sales prices of Licensed Products will be determined in accordance with IFRS. In the event that Merck, its Affiliates or Sublicensees make any adjustments to such deductions after the associated Net Sales have been reported pursuant to this Agreement, the adjustments will be reported and reconciled in the next report and payment of any royalties due.

For clarification, sale of Licensed Products by Merck, its Affiliates or Sublicensees to another of these entities for resale by such entity to a Third Party shall not be deemed a sale for purposes of this definition of "**Net Sales**". Further, transfers or dispositions of the Licensed Products:

(i) in connection with patient assistance programs,
(ii) for charitable or promotional purposes,
(iii) for preclinical, clinical, regulatory or governmental purposes, or compassionate use or other similar programs, or
(iv) for use in any tests or studies reasonably necessary to comply with any Applicable Law, regulation or request by a Regulatory Authority shall not, in each case, be deemed sales of such Licensed Products for purposes of this definition of "**Net Sales**."

1.1.91. "**Non-GLP Toxicology Studies**" means, with respect to a Licensed Product, pilot toxicology studies carried out in one or more animal species and intended to determine the therapeutic index or tolerability of such Licensed Product to support its selection for GLP Toxicology Studies.

1.1.92. "**Notice of Dispute**" is defined in Section 13.6.1.

1.1.93. "**Notice Period**" is defined in Section 11.3.

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1.1.94. "**Original Mersana In-License**" means the MGH Agreement and the TUBE Agreement listed on Schedule 1.1.94 between Mersana and a Third Party, entered into prior to the Effective Date, pursuant to which Mersana has acquired Control of certain Mersana Platform Technology; ***provided*** that (a) the TUBE Agreement will not be deemed to be an Original Mersana In-License unless and until the Parties enter into a sublicense pursuant to the proviso in Section 3.2 and (b) the MGH Agreement will be deemed an Original Mersana In-License only during the MGH Agreement Term.

1.1.95. "**Overage**" is defined in Section 6.2.2.2.

1.1.96. "**Party**" and "**Parties**" are defined in the introduction to this Agreement.

1.1.97. "**Patent Right**" means any and all national, regional and international (a) issued patents and pending patent applications (including provisional patent applications), (b) patent applications filed either from the foregoing or from an application claiming priority to the foregoing, including all provisional applications, converted provisionals, substitutions, continuations, continuations-in-part, divisions, renewals and continued prosecution applications, and all patents granted thereon, (c) patents-of-addition, revalidations, reissues, reexaminations and extensions or restorations (including any supplementary protection certificates and the like) by existing or future extension or restoration mechanisms, including patent term adjustments, patent term extensions, supplementary protection certificates or the equivalent thereof, (d) inventor's certificates, utility models, petty patents, innovation patents and design patents, (e) other forms of government-issued rights substantially similar to any of the foregoing, including so-called pipeline protection or any importation, revalidation, confirmation or introduction patent or registration patent or patent of additions to any of such foregoing and (f) United States and foreign counterparts of any of the foregoing.

1.1.98. "**Performance Specifications**" are set forth in Exhibit 1.1.98 and will be adapted to each Research Program by mutual agreement of the Parties and documented in a more detailed fashion in each Research Plan.

1.1.99. "**Phase I Clinical Trial**" means a Clinical Trial that provides for the first introduction into humans of a pharmaceutical product with the primary purpose of determining safety, metabolism and pharmacokinetic properties and clinical pharmacology of such product, in a manner that is generally consistent with 21 CFR § 312.21(a), as amended (or its successor regulation).

1.1.100. "**Phase II Clinical Trial**" means a Clinical Trial, the principal purpose of which is to make a preliminary determination as to whether a pharmaceutical product is safe for it intended use and to obtain sufficient information about such product's efficacy, in a manner that is generally consistent with 21 CFR § 312.21(b), as amended (or its successor regulation), to permit the design of further Clinical Trials.

1.1.101. "**Phase III Clinical Trial**" means a pivotal Clinical Trial with a defined dose or a set of defined doses of a pharmaceutical product designed to ascertain efficacy and safety of such product, in a manner that is generally consistent with 21 CFR § 312.21(c), as amended (or its successor regulation), for the purpose of enabling the preparation and submission

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of an NDA.

1.1.102. "**Pre-Clinical Development Candidate Designation**" is defined in Section 6.4.

1.1.103. "**Pricing Approval**" means the later of (a) the approval, agreement, determination or governmental decision establishing the price for a Licensed Product that can be legally charged to consumers, as required in a given jurisdiction or country in connection with Commercialization of such Licensed Product in such jurisdiction or country and (b) the approval, agreement, determination or governmental decision establishing, the level of reimbursement for such Licensed Product that will be reimbursed by Governmental Authorities, as required in a given jurisdiction or country in connection with Commercialization of such Licensed Product in such jurisdiction or country.

1.1.104. "**Product Bundle**" is defined in the definition of Net Sales.

1.1.105. "**Product Know-How**" means Know-How

(a) that is Controlled by Merck or any Affiliate of Merck as of the Effective Date or at any time during the Term (including pursuant to Section 8.2.2, and including Know-How that is invented, conceived, or developed by either or both Parties, or its or their Affiliates or Third Parties acting on its or their behalf, in each case in the course of conducting its or their activities under this Agreement), and

(b) solely to the extent relating to or consisting of

(i) [***],

(ii) [***],

(iii) [***],

(iv) [***],

(v) [***].

If any Know-How would otherwise constitute both Product Know-How and Joint Know-How, then such Know-How will be deemed to be Product Know-How. If any Know-How would otherwise constitute both Mersana Platform Know-How and Product Know-How, then such Know-How will be deemed to be Product Know-How.

1.1.106. "**Product Patent Right**" means a Patent Right that claims Product Know-How.

1.1.107. "**Product Technology**" means the Product Know-How and the Product Patent Rights.

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1.1.108. "**Product Trademarks**" is defined in Section 8.6.1.

1.1.109. "**Project Leader**" is defined in Section 2.5.2.1.

1.1.110. "Public Domain Cytotoxic Compound" means any [***], that is in the public domain as of the Effective Date or at any time during the Term other than by a breach by a Party under this Agreement.

1.1.111. "**Publication**" is defined in Section 7.5.

1.1.112. "**Quarterly Report**" is defined in Section 2.5.3.5.

1.1.113. "**Regulatory Approval**" means final regulatory approval (but excluding Pricing Approval) required to Commercialize a Licensed Product for a disease or condition in accordance with the Applicable Laws of a given country. In the United States, its territories and possessions, Regulatory Approval means approval of a New Drug Application ("**NDA**"), Biologics License Application ("**BLA**") or an equivalent by the FDA.

1.1.114. "**Regulatory Authority**" means, with respect to a country in the Territory, any national (e.g., the FDA), supra-national (e.g., the European Commission, the Council of the European Union, or the European Medicines Agency), regional, state or local regulatory agency, department, bureau, commission, council or other Governmental Authority involved in the granting of a Regulatory Approval or a Pricing Approval, for biopharmaceutical products in such country.

1.1.115. "**Regulatory Documentation**" means: all (a) applications (including all INDs), registrations, licenses, authorizations and approvals (including Regulatory Approvals and Pricing Approvals); (b) correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents with respect thereto, including all adverse event files and complaint files; (c) clinical and other data contained, referenced or otherwise relied upon in any of the foregoing; and (d) for clarity, any Drug Master File.

1.1.116. "**Research Fees**" is defined in Section 6.2.1.

1.1.117. "**Research Plan**" means, with respect to any Research Program, the written plan for such Research Program, as further described in Section 2.2.

1.1.118. "**Research Program**" means each research program conducted pursuant to Section 2.

1.1.119. "**Research Program Materials**" is defined in Section 2.2.1.3.

1.1.120. "**Research Program Term**" is defined in Section 2.3.

1.1.121. "**Royalty Report**" is defined in Section 6.10.1.1.

1.1.122. "**Royalty Term**" is defined in Section 6.3.3.

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1.1.123. "Strategic IP Plan" means, for each Research Program, the plan mutually agreed between the Parties that sets out the agreed overall strategy that the Parties intend to follow for the protection by means of Patent Rights generated under this Agreement and such further Patent Rights as the Parties may agree on as part of such Strategic IP Plan. The Strategic IP Plan for each Research Program shall be established, agreed, updated, revised and executed as set out in Section 2.5.4.

1.1.124. "**Study Materials**" is defined in Section 2.2.1.3.

1.1.125. "**Sublicensee**" means a person or entity that is granted a sublicense under an Exclusive License by Merck in accordance with the terms of this Agreement.

1.1.126. "**Supply Agreement**" is defined in Section 4.3.2.

1.1.127. "**Supply Fees**" is defined in Section 6.2.1.

1.1.128. "**Target Exclusivity Period**" is defined in Section 2.4.4.1.

1.1.129. "Tax" or "**Taxes**" means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

1.1.130. "**Technology Access Fee**" is defined in Section 6.1.

1.1.131. "**Term**" is defined in Section 11.1.

1.1.132. "**Territory**" means all countries in the world.

1.1.133. "**Third Party**" means a person or entity other than Merck, Mersana and their respective Affiliates.

1.1.134. "**Third Party Action**" is defined in Section 9.1.1.

1.1.135. "**TUBE Agreement**" is defined in Schedule 1.1.94.

1.1.136. "**TUBE Toxins**" means the [***] pursuant to the TUBE Agreement.

1.1.137. "**Valid Patent Claim**" means with respect to a Patent Right in a country any claim of an

(a) issued Patent Right that has not (i) expired, irretrievably lapsed or been abandoned, revoked, dedicated to the public or disclaimed or (ii) been found to be unpatentable, invalid or unenforceable by an unreversed and unappealable decision of a Governmental Authority in such country; or

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(b) application for a Patent Right that (i) has been pending for less than [***] from the earliest claimed priority date and is being prosecuted in good faith and has not been abandoned or finally disallowed without the possibility of appeal or re-filing and (ii) has not been admitted to be invalid or unenforceable through reissue, reexamination, or disclaimer, and which is not subject to an interference claim.

In the event that a Patent Right issues from an application for a Patent Right described in clause (b) of this Section 1.1.137 that has been pending for more than [***] from the earliest claimed priority date, the claims of such issued Patent Right will be deemed to be Valid Patent Claims from and after the date of issuance so long as it satisfies the requirements of clause (a) of this Section 1.1.137.

1.2. Certain Rules of Interpretation in this Agreement and the Schedules and Exhibits.

1.2.1. Unless otherwise specified, all references to monetary amounts are to United States of America currency (United States Dollars);

1.2.2. The preamble to this Agreement and the descriptive headings of sections are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of this Agreement or of such sections;

1.2.3. 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);

1.2.4. The words "include" and "including" have the inclusive meaning frequently identified with the phrases "without limitation" and "but not limited to";

1.2.5. The words "shall" and "will" have the same meaning;

1.2.6. Whenever this Agreement refers to a number of days, unless otherwise specified, such number refers to calendar days. Unless otherwise specified, deadlines within which any payment is to be made or act is to be done within or following specified time period after a date will be calculated by excluding the day, Business Day, month or year of such date, as applicable, and including the day, Business Day, month or year of the date on which the period ends;

1.2.7. Whenever any payment is to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment will be made or action taken on the next Business Day following such day to make such payment or do such act; and

1.2.8. Unless otherwise specified, references in this Agreement to any section,

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exhibit or schedule mean references to such section, exhibit or schedule of this Agreement.

2. Research Program.

2.1. **Objective and Conduct of the Research Programs**. The Parties will conduct a number of Research Programs, each in accordance with a Research Plan, the terms of this Agreement and Applicable Law in good scientific manner. The purpose of each Research Program will be to identify, develop and evaluate ADCs to enable Merck to make a Pre-Clinical Development Candidate Designation and subsequently Exploit such ADCs under this Agreement. Each Party will use Commercially Reasonable Efforts to perform activities assigned to it under each Research Plan in accordance with the timelines set forth therein. Merck will promptly notify Mersana in the event that (a) Merck makes a Pre-Clinical Development Candidate Designation with respect to an ADC or a Licensed Product, or (b) Merck makes a determination to not make a Pre-Clinical Development Candidate Designation with respect to an ADC or a Licensed Product.

2.2. **Research Plans**.

2.2.1. **Research Plan Framework**. Each Research Plan will provide a framework for the applicable Research Program. Each Research Plan will include the following activities (all as will be more specifically set forth in the applicable Research Plan):

2.2.1.1. Merck will deliver to Mersana specified quantities of [***].

2.2.1.2. Mersana will use Commercially Reasonable Efforts to [***] set forth in the Research Plan.

2.2.1.3. Mersana will deliver to Merck [***] as contemplated under the Research Plan or otherwise agreed to by the Parties.

2.2.1.4. Non-GLP Toxicology Studies and GLP Toxicology Studies with respect to such ADC Materials will be conducted by Mersana or Merck, as specified in the applicable Research Plan.

2.2.1.5. Each Research Plan will include a budget for Mersana's activities thereunder, including with respect to FTEs to be provided by Mersana and Research Fees to be included thereunder.

2.2.1.6. [***] **Antibodies**

(a) In the event that a Research Program involves the use of a [***].

(b) In the event that a Research Program involves the use of a [***].

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2.2.2. **Restrictions on use of Materials**.

2.2.2.1. Mersana (a) will not use the Merck Antibodies for any purpose other than exercising its rights and performing its obligations under the applicable Research Plan, (b) will only use the Merck Antibodies in compliance with all Applicable Laws, and (c) will not transfer the Merck Antibodies or grant any rights thereto to any Third Party without the express prior written consent of Merck. Merck will retain full ownership of, and all right, title and interest in and to, the Merck Antibodies. At the end of the applicable Research Program Term, or upon earlier termination of this Agreement, Mersana will at the instruction of Merck either destroy or return any remaining Merck Antibodies.

2.2.2.2. Prior to Merck making a Pre-Clinical Development Candidate Designation with respect to a Licensed Product, Merck (a) will not use the applicable Research Program Materials for any purpose other than exercising its rights and performing its obligations under this Agreement, (b) will only use the applicable Research Program Materials in compliance with all Applicable Laws, and (c) will not transfer the applicable Research Program Materials or grant any rights thereto to any Third Party without the express prior written consent of Mersana. Mersana will retain full ownership of, and all right, title, and interest in and to, the Research Program Materials, except that following the Pre-Clinical Development Candidate Designation of a Licensed Product by Merck, Mersana shall assign to Merck all of its right, title and interest in and to the tangible ADC Materials incorporated in such Licensed Product. Upon the earliest of (i) Merck's election to not make a Pre-Clinical Development Candidate Designation with respect to a Licensed Product, (ii) a replacement of the Designated Target Antigen under Section 2.4.3, and (iii) termination of this Agreement, Merck will at the instruction of Mersana either destroy or return any remaining Research Program Materials from the applicable Research Program. After Merck makes a Pre-Clinical Development Candidate Designation with respect to a Licensed Product, Merck will be free to retain and use the Research Program Materials arising out of the applicable Research Program for such Designated Target for any purpose within the scope of the Exclusive License for such Designated Target.

2.2.3. **Research Plans**. The Research Plan for the [***] Designated Target is attached as Schedule 2.2.3-1. Subsequent Research Plans agreed upon in accordance with Section 2.4.2.4 will be attached as additional sequentially numbered schedules (Schedule 2.2.3-2, Schedule 2.2.3-3, etc.).

2.2.4. **Changes to Research Plans**. Each Party may via the Joint Project Team propose changes to a Research Plan, which will be subject to review and approval by the Project Leaders, as provided in Section 2.5.2.

2.2.5. **Research Program Records**. Mersana will maintain, in good scientific manner, complete and accurate books and records pertaining to its activities under each Research Plan.

2.3. **Term of a Research Program**. The term of the [***] Research Program, which covers the [***]Designated Target, will commence upon the Effective Date, and the term of each subsequent Research Program will commence upon approval of a Research Plan under Section 2.4.2.4. Each Research Program will continue until [***] (a) [***]; (b) [***]; (c) [***]; (d) [***]; and (e) [***] (the term of a Research Program, each, a "**Research Program Term**"). If a

Research Program Term ends pursuant to clause (c), (d) or (e) of this Section 2.3, then the Designated Target that is the subject of the applicable Research Program will no longer be deemed to be a Designated Target hereunder.

2.4. Availability of Targets; Approval of New Research Plans.

2.4.1. Designated Targets. Merck may designate up to six (6) Antigens as Designated Targets (together with any applicable replacement Designated Targets under Section 2.4.3) under this Agreement as follows:

2.4.1.1. The [***] Designated Target is set forth on Schedule 2.4.1-1.

2.4.1.2. The [***] Designated Target is set forth on Schedule 2.4.1-2.

2.4.1.3. Merck may designate [***] Designated Target in accordance with this Section 2.4.1.3 at any time prior to the [***]. Such Designated Targets that are designated in accordance with this Section 2.4.1.3 will be set forth on Schedule 2.4.1-3 and Schedule 2.4.1-4, respectively.

2.4.1.4. Merck may designate a [***] Designated Target in accordance with this Section 2.4.1.4 at any time following the [***]. Such Designated Targets that are designated in accordance with this Section 2.4.1.4 will be set forth on Schedule 2.4.1-5 and Schedule 2.4.1-6, respectively.

2.4.2. Gatekeeper Process.

2.4.2.1. In order to designate an Antigen as a new Designated Target under Section 2.4.1.3, Section 2.4.1.4 or Section 2.4.3, Merck will provide the Gatekeeper with a confidential written description of such Antigen, including to the extent available, the Name and UniProt/SwissProt number sequence for such proposed Antigen. Within [***] Business Days following Gatekeeper's receipt of such written notice with respect to a particular proposed Antigen, Mersana will ensure that Gatekeeper will notify Merck in writing whether the proposed Antigen is Available for designation as a Designated Target. The Parties hereby acknowledge and agree that a proposed Antigen will be "**Available**" for designation by Merck as a Designated Target unless [***].

2.4.2.2. For clarity, in the event that the Gatekeeper notifies Merck that a proposed Antigen is not Available pursuant to the procedures set forth in this Section 2.4.2, Merck will not have exhausted any of its rights to designate an Antigen as a new Designated Target hereunder within the applicable designation time period. Should an Antigen proposed by Merck be rejected by the Gatekeeper, the applicable nomination period for such Antigen shall be automatically extended by the time consumed by the unsuccessful nomination process.

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2.4.2.3. The Parties acknowledge and agree that, as of the Effective Date, the first and second Designated Targets set forth on Schedule 2.4.1-1 and Schedule 2.4.1-2 are Available, and the procedures set forth in Section 2.4 will not apply to such Designated Targets, other than with respect to replacement of such Designated Targets in accordance with Section 2.4.3.

2.4.2.4. In the event that the Gatekeeper notifies Merck that a proposed Antigen is Available for designation as a Designated Target in accordance with Section 2.4.2, within [***] Business Days following receipt of such notice, Merck will thereafter notify the Gatekeeper if it wishes to so designate such proposed Antigen (in which case, Merck will also promptly provide notice to Mersana that it has designated an Antigen to be a Designated Target). Upon such designation, Merck will disclose to Mersana the identity of the Designated Target, and the JPT will promptly meet to draft a Research Plan for such Designated Target and will use good faith efforts to agree on such Research Plan. Upon written agreement by the Project Leaders on a proposed Research Plan, such Antigen will be deemed a Designated Target hereunder (if applicable), such proposed Research Plan will be deemed to be a Research Plan hereunder, and the corresponding Research Program will commence. In addition to Section 2.4.4, the Parties agree that from receiving the notification of availability of an Antigen from the Gatekeeper until its designation as a Designated Target, such Antigen shall not be available for a collaboration between Mersana and a Third Party.

2.4.3. Replacement of Designated Targets. During the Research Program Term for a Research Program, in the event that the Project Leaders reasonably determine that it is [***] in accordance with the applicable Research Plan using at least one of the Merck Antibodies provided thereunder, the Project Leaders will promptly notify Merck in writing thereof. Merck may, at any time within [***] following receipt of such notice, designate a new Designated Target in accordance with Section 2.4.2 to replace the original Designated Target without using an additional of the overall six (6) options to designate an Antigen as a new Designated Target pursuant to Section 2.4.1. The original Designated Target will no longer be deemed to be a Designated Target, and Merck will have no further right or license under this Agreement with respect to the original Designated Target.

2.4.4. Target Exclusivity.

2.4.4.1. During the Term on a Designated Target-by-Designated Target basis, Mersana will collaborate exclusively with Merck with respect to such Designated Target during the period commencing with the designation of an Antigen as a Designated Target by Merck pursuant to Section 2.4.2.4 and ending on the earliest of (a) [***]; (b) [***]; (c) [***] or (d) [***] (each such period, a "**Target Exclusivity Period**"). For purposes of this Section 2.4.4, "collaborate exclusively" means that Mersana will not, [***]. The provisions of this Section 2.4.4.1 shall not apply to any Future Acquirer or any

Affiliate of any Future Acquirer other than Mersana to the extent that any activities conducted by any such Future Acquirer or any such Affiliate with respect to such Designated Target do not make use of any information or intellectual property right that is deemed Controlled by Mersana pursuant to this Agreement.

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2.4.4.2. Upon the expiration or termination of a Target Exclusivity Period for a Designated Target:

(a) the Exclusive License to Merck pursuant to Section 3.2 with respect to such Designated Target shall automatically terminate, and

(b) Merck will (i) [***] and (ii) [***].

2.5. Alliance Managers; Governance of Research Program.

2.5.1. Alliance Managers. Promptly following the Effective Date, each Party will designate an alliance manager to be reasonably available to the other Party to facilitate communication, respond to questions and otherwise oversee that the Parties' activities hereunder are in line with this Agreement. Such alliance managers will regularly interact with each other on a frequency to be mutually agreed by the Parties and on an *ad hoc* basis if requested by the Joint Project Team or the Project Leaders. A Party may replace its alliance manager at any time by written notice to the other Party.

2.5.2. Project Leaders

2.5.2.1. Formation and Composition. Within [***] Business Days after the Effective Date, each Party will appoint an individual from senior management of such Party to be a project leader (each, a "**Project Leader**") to oversee the Parties' activities under this Agreement. A Party may change its Project Leader at any time by written notice to the other Party. Such Project Leader may, but is not required to, serve as a representative of its respective Party on the JPT. The Parties may allow additional employees and consultants to attend meetings of the Project Leaders and may consult with additional employees and advisors prior to making a decision, subject to the confidentiality provisions of Section 7.

2.5.2.2. Functions and Authority. The Project Leaders will be responsible for supervising and managing the Research Programs. Their functions will be:

(a) Overseeing and coordinating the progress, timelines, budget and results of the Research Programs;

(b) Reviewing and approving each Research Plan (including the budget therein) and any proposed amendments to the Research Plans proposed pursuant to Section 2.2.4, ***provided*** that the Research Plan (including the budget therein) for the first and second Designated Targets attached hereto as Schedule 2.2.3-1 shall be deemed approved by the Project Leaders;

(c) Reviewing each Party's reports regarding its activities under each Research Plan;

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(d) Deciding whether it is scientifically or technically feasible to create an ADC Directed to the applicable Designated Target in accordance with each Research Plan;

(e) Deciding whether an ADC meets the applicable Performance Specifications set forth in each Research Plan;

(f) Approval of and any changes to the Strategic IP Plan proposed by the JIPC.

(g) Resolving any disputes delegated to the Project Leaders by the JPT or the JIPC;

(h) Overseeing the activities conducted pursuant to each Supply Agreement; and

(i) Such other matters as the Parties may mutually agree in writing.

2.5.2.3. Meetings. During the Term, the Project Leaders will meet in person or by teleconference or videoconference at least once every Calendar Quarter during a Research Program Term. The Project Leaders also may choose to meet more frequently on an as needed basis. In advance of each meeting of the Project Leaders, the JPT will provide a Quarterly Report to the Project Leaders.

2.5.2.4. Decisions. The Project Leaders will take action by unanimous consent or by a written resolution signed by the Project Leaders. In the event the Project Leaders are unable to secure unanimous consent on any matter, [***] shall make the final determination on any such matter which shall be binding on the Parties as though it had been made by a consensus of the Project Leaders; ***provided*** that [***] shall **not** have the authority to make the final determination with respect to the following matters:

(a) [***];

(b) amendments to any Research Plan that would require [***], in which case such amendment will not be approved without [***] consent, which consent may be withheld in [***] reasonable discretion; and

(c) amendments to any Research Plan that would require that [***], in which case such amendment will not be approved without [***] consent, which consent may be withheld in [***] reasonable discretion.

2.5.2.5. **Minutes and Reports**. The Project Leaders will document their decisions regarding each Research Plan in the meeting minutes. Promptly after each meeting, one Project Leader will provide the other with a draft version of the meeting

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minutes for review and comment. Within [***] Business Days of each meeting, the Project Leaders will provide the Parties and the JPT with a final agreed version of the meeting minutes.

2.5.2.6. **Duration**. The office of the Project Leaders will exist until the later of (a) last to expire Research Program Term, or (b) the completion of all activities pursuant to any Supply Agreement.

2.5.3. **Joint Project Team**.

2.5.3.1. **Formation and Composition**. Within [***] Business Days after the Effective Date, the Parties will establish a joint project team (the "**Joint Project Team**" or "**JPT**") composed of three (3) appointed representatives of each of Merck and Mersana. A Party may change one or more of its representatives on the JPT at any time or elect to have one of its members represented by a delegate at a meeting of the JPT. The JPT will be chaired by a Merck representative selected by Merck from one of the Merck's members of the JPT. The Parties may allow additional employees and consultants to attend meetings of the JPT subject to the confidentiality provisions of Section 7.

2.5.3.2. **Functions and Authority**. The JPT will be responsible for carrying out each Research Program. Its functions will be:

(a) Drafting the Research Plans (including the budgets therein) for each Research Program and proposing such Research Plans for approval by the Project Leaders.

(b) Documenting the progress, timelines, budget and results of the Research Program;

(c) Proposing amendments to the Research Plan proposed pursuant to Section 2.2.4;

(d) Reporting its activities under each Research Plan;

(e) Evaluating whether it is scientifically or technically feasible to create an ADC Directed to the applicable Designated Target in accordance with each Research Plan and making a recommendation to the Project Leaders;

(f) Evaluating whether an ADC meets the applicable Performance Specifications set forth in each Research Plan and making a recommendation to the Project Leaders;

(g) Preparing Quarterly Reports based on reports to be provided by each Party of such Party's activities during the applicable Calendar Quarter;

(h) Documenting the activities conducted pursuant to each

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Supply Agreement;

(i) Determining the Estimated Pre-Payment for each Calendar Quarter during each Research Program Term (other than the first Calendar Quarter of the Term) pursuant to Section 6.2.2.1(b); and

(j) Such other matters as the Parties may mutually agree in writing.

2.5.3.3. **Meetings**. During the Term, the JPT will meet in person or by teleconference or videoconference at least [***] during a Research Program Term, unless otherwise decided by the JPT. The JPT also may choose to meet more frequently on an as needed basis. The JPT shall meet in person at least [***], unless otherwise decided by the JPT. At each meeting of the JPT, each Party will provide a report regarding the progress of its activities under each Research Plan.

2.5.3.4. **Decisions**. The JPT will take action by unanimous consent of the Parties, with each Party having [***] vote, irrespective of the number of representatives actually in attendance at a meeting (but provided that at least one representative from each Party is in attendance), or by a written resolution signed by the designated representatives of each of the Parties. In the event the JPT is unable to secure unanimous consent on any matter the decision shall be escalated [***]. For clarity, the JPT shall not have the authority to amend the Research Plan or this Agreement.

2.5.3.5. **Minutes and Reports**. The JPT will maintain accurate minutes of its meetings, including the status of the Research Programs and all proposed decisions and recommended actions or decisions taken. Promptly after each meeting, a member of the JPT designated by the JPT will provide the Parties with a draft version of the meeting minutes of each meeting for review and comment. Within [***] Business Days of each meeting, the JPT chair will provide the Parties and the Project Leaders with a final version of the meeting minutes incorporating any such comments from the Parties, and such version will be recognized as having been accepted by the Parties. In advance of each quarterly meeting of the Project Leaders, the JPT will prepare a report for the Project Leaders detailing the progress of activities under each Research Plan, any decisions that are needed from the Project Leaders and any matters on which the JPT could not reach agreement (each a "**Quarterly Report**").

2.5.3.6. **Duration**. The JPT will be in existence until the later of (a) last to expire Research Program Term, or (b) the completion of all activities pursuant to any Supply Agreement.

2.5.4. **Joint Intellectual Property Committee.** As soon as practicable after the Effective Date, the Parties shall form a joint intellectual property committee (the "**Joint Intellectual Property Committee**" or "**JIPC**"). The JIPC shall comprise no more than [***] members, and shall be composed of an equal number of representatives from each Party. The Parties may allow additional employees and consultants to attend meetings of the JIPC subject to the confidentiality provisions of Section 7.

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2.5.4.1. **Functions and Authority**. During the Term the JIPC shall:

(a) for each Research Program, draft and propose a Strategic IP Plan (and any amendments thereto) to the Project Leaders, which Strategic IP Plan at a minimum needs to detail the countries of filing and a patent filing strategy, which strategy shall (1) be aligned between the Parties to secure the maximum protection of Product Technology and Mersana Platform Technology, (2) [***] and (3) include that any proposed filing of a Mersana Platform Patent Right [***];

(b) oversee the drafting, filing, prosecution and maintenance of all Patent Rights generated from the activities under this Agreement in accordance with the Strategic IP Plan and Section 8, which shall include overseeing Mersana's reasonable opportunity to comment on all [***] Patent Right filings and Merck's obligation to reasonably consider in good faith Mersana's comments with respect thereto;

(c) as necessary, take day-to-day decisions relating to the drafting, filing, prosecution and maintenance of the resulting Patent Rights in accordance with the Strategic IP Plan and Section 8;

(d) report to the Project Leaders on the drafting, filing, prosecution and maintenance of such Patent Rights;

(e) propose to the Project Leaders any changes or additions to the Strategic IP Plan that the JIPC deems fit, and upon approval of said changes and additions, implement said changes and additions; and

(f) consider whether it is necessary to enter into any license agreements with a Third Party in respect of a Designated Target.

In the event of a conflict between the JIPC's authority under this Section 2.5.4.1 and a Party's rights under Section 8.3.3 or Section 8.3.4, as applicable, Mersana's and Merck's respective rights under Section 8.3.3 and Section 8.3.4 shall prevail.

2.5.4.2. **Meetings**. During the Term, the JIPC will meet in person or by teleconference or videoconference on a frequency to be determined by the JIPC.

2.5.4.3. **Decisions**. The JIPC will take action by unanimous consent of the Parties, with each Party having [***] vote, irrespective of the number of

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representatives actually in attendance at a meeting (but provided that at least one representative from each Party is in attendance), or by a written resolution signed by the designated representatives of each of the Parties. In the event the JIPC is unable to secure unanimous consent on any matter the decision shall be escalated to [***]. The JIPC shall however have no authority to amend any Strategic IP Plan or this Agreement.

2.5.4.4. **Minutes and Reports**. The JIPC will document their decisions regarding each Strategic IP Plan in the meeting minutes. Promptly after each meeting, one member of the JIPC will provide the others with a draft version of the meeting minutes for review and comment. Within [***] Business Days of each meeting, the JIPC will provide the Parties and the Project Leaders with a final agreed version of the meeting minutes.

3. License Grants.

3.1. **Research License to Mersana**. Subject to the terms and conditions of this Agreement Merck will, and hereby does, grant to Mersana and its Affiliates, a non-exclusive, transferrable (only to the extent set forth in Section 13.2), sublicensable (only to the extent set forth below in this Section 3.1), worldwide, royalty-free right and research license to and under the Merck Technology, Product Technology and Merck's interest in the Joint Technology solely to conduct its activities under each Research Plan during the applicable Research Program Term. Such license includes the right to grant sublicenses through multiple tiers to Third Parties who conduct activities under the applicable Research Program on behalf, and under the direction of Mersana or its Affiliates, as applicable, subject to Merck's prior written consent, which consent may not be unreasonably withheld, delayed or conditioned; ***provided***, that any such sublicensee is bound to applicable provisions of this Agreement, including obligations of confidentiality and assignment of inventions comparable in scope to those included herein.

3.2. **Exclusive Licenses to Merck**. With respect to each Designated Target, subject to the terms and conditions of this Agreement, Mersana will, and does hereby, grant to Merck an exclusive (even as to Mersana, except to the extent required for Mersana to perform its obligations under this Agreement), transferrable (only to the extent set forth in Section 13.2), sublicensable (only to the extent set forth in Section 3.3), royalty-bearing (a) right and license to and under the Mersana Technology, Mersana Platform Technology and Mersana's interest in the Joint Technology, and (b) right to access and reference to the Mersana Regulatory Documentation in accordance with Section 5, solely in connection with its exercise of its rights under clause (a) of this Section 3.2, in each case ((a) and (b)), to Exploit ADCs and Licensed Products, in each case, Directed to such Designated Target (including to conduct its activities under each Research Program as set forth in the applicable Research Plan), within the Field in the Territory (collectively (a) and (b) with respect to such Designated Target, an "**Exclusive License**"); ***provided***, that (x) Mersana Platform Technology shall **not** include the rights granted [***]. Each Exclusive License will continue (i) for the applicable Royalty Term, unless earlier terminated pursuant to Section 11 or Section 2.4.4.2(a), and (ii) thereafter, as provided in Section 11.5.2.2(b) and Section 11.5.4.

3.3. **Sublicensing**. Subject to Section 2.2.2.2(c), Merck will have the right to grant sublicenses under each Exclusive License through multiple tiers to any Affiliate or any Third

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Party, subject to [***]. As a condition to granting any sublicense hereunder, Merck will require each Sublicensee to assign to Merck all Know-How and Patent Rights invented, conceived, or developed by or on behalf of any such Sublicensee, whether alone or with Merck or a Third Party, that would be Mersana Platform Technology if invented, conceived or developed by Merck (alone or with Merck). Merck will remain obligated for all of its obligations under this Agreement and, as between the Parties, will remain liable for all acts or omissions of its Sublicensees under any Exclusive License. Merck will promptly notify Mersana after granting any sublicense under an Exclusive License and will provide a copy of the agreement with such Sublicensee, which agreement may be redacted to remove information not relevant for the purposes of checking compliance with sublicense requirements hereunder. Merck will make all payments due to Mersana pursuant to this Agreement by reason of achievement of any milestones and royalties set forth herein by any Sublicensee.

3.4. **Compliance with the Mersana In-Licenses**. Merck and its Affiliates will comply with, and Merck shall cause its Sublicensees to comply with, all obligations, covenants and conditions of the Original Mersana In-Licenses and any Future Mersana In-Licenses, and any amendments thereto (following written disclosure and notice of such amendments to Merck, provided that Mersana may not amend any Original Mersana In-Licenses or any Future Mersana In-Licenses except as specified in Section 10.3.1), that apply under each of the Original Mersana In-Licenses and any Future Mersana In-Licenses to Merck, its Affiliates or Sublicensees, as applicable.

4. Development, Commercialization, Supply and Manufacturing.

4.1. **In General**; **Diligence**. Merck will have the sole right and responsibility, at its sole expense, for all aspects of the Exploitation of ADCs and Licensed Products, except with respect to those obligations of Mersana in support thereof as provided hereunder, including as set forth in Section 4.3 and Section 5.1. Merck will use Commercially Reasonable Efforts to (a) Develop and obtain Regulatory Approval for a Licensed Product Directed to such Designated Target [***], and (b) Commercialize such Licensed Product in any country or jurisdiction in which Regulatory Approval and Pricing Approval is obtained for such Licensed Product. Merck will comply with all Applicable Laws (including Good Laboratory Practices, Good Clinical Practices, and Good Manufacturing Practices) in the Exploitation of such Licensed Products, and will require its Sublicensees to do the same.

4.2. **Funding and Progress Reports**. Merck will be solely responsible for funding all costs of the Exploitation of ADCs and Licensed Products pursuant to each Exclusive License. Merck will keep Mersana informed in a timely manner as to the progress of the Development of Licensed Products, including through the Quarterly Reports of the JPT as set forth in Section 2.5.3.5. Without limiting the generality of the foregoing, and after the disbanding of the JPT pursuant to Section 2.5.3.6, on a Licensed Product-by-Licensed Product basis, Merck will provide Mersana, through its alliance manager identified in accordance with Section 2.5.1, with written [***] reports that provide a summary of Merck's [***] activities related to Development and Commercialization of each Licensed Product and the status of Clinical Trials and applications for Regulatory Approval necessary for marketing such Licensed Product. Such reports will be deemed Merck's Confidential Information for the purposes of Section 7.

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4.3. Technology Disclosure; Supply; Manufacturing.

4.3.1. Technology Disclosure. Following Merck making a Pre-Clinical Development Candidate Designation with respect to a Licensed Product, Mersana will disclose and make available to Merck such Mersana Know-How and Mersana Platform Know-How as is necessary or useful to enable Merck to use and reference the Mersana Technology, Mersana Platform Technology and Mersana Regulatory Documentation to practice the applicable Exclusive License on the terms, and subject to the conditions, of this Agreement, including for the Exploitation of ADCs and Licensed Products. [***].

4.3.2. Supply Agreements. Commencing at such time that Non-GLP Toxicology Studies are commenced by or on behalf of Merck with respect to a Licensed Product, Merck and Mersana will commence negotiations in good faith to enter into a commercially reasonable supply agreement pursuant to which (a) Mersana will Manufacture and supply to Merck such Licensed Product in order for Merck to conduct GLP Toxicology Studies, if conducted by or on behalf of Merck (other than by Mersana) pursuant to the applicable Research Plan, and Phase I Clinical Trials, for such Licensed Product, and (b) Merck will Manufacture and supply to Mersana the Merck Antibodies and, as applicable, Merck Cytotoxic Compounds, necessary in order for Mersana to perform its obligations under clause (a) of this Section 4.3.2 (each such agreement, a "**Supply Agreement**"). Under each such Supply Agreement, (i) Mersana will supply the applicable Licensed Product to Merck at [***], and (ii) Merck will supply such Merck Antibody and, as applicable, such Merck Cytotoxic Compound, to Mersana for use in Manufacturing such Licensed Product [***].

4.3.3. Transfer of Production Processes. For Clinical Trials following the Phase I Clinical Trials for a Licensed Product, Merck will be responsible for all Manufacturing and supply of Licensed Products. At such times as Merck will request, Mersana will (a) disclose to Merck the names of Mersana's existing, back-up or alternative suppliers of and vendors with respect to Mersana Cytotoxic Compounds, Public Domain Cytotoxic Compounds and ADCs (and any intermediate or component thereof), and (b) continue to provide access to the Mersana Know-How and Mersana Platform Know-How as set forth in Section 4.3.1 in order to timely enable the production of Licensed Products prior to such Clinical Trials by Merck and/or up to two (2) independent contract manufacturing organizations selected by Merck. Merck will compensate Mersana for such assistance in accordance with Section 6.2.

4.4. Booking of Sales; Distribution; Recalls. Merck will have the sole right to invoice and book sales, establish all terms of sale (including pricing and discounts) and warehouse and distribute the Licensed Products in the Territory and perform or cause to be performed all related services. As between the Parties, Merck or its subcontrators and/or Sublicensees will handle all returns, recalls or withdrawals, order processing, invoicing, collection, distribution and inventory management with respect to the Licensed Products in the Territory. Merck will notify Mersana within a reasonable period after commencing any recall of any Licensed Product wherein such recall may be related to Mersana Technology, Mersana Platform Technology or Mersana's Manufacture and supply of such Licensed Product to Merck.

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5. Regulatory Matters.

5.1. Regulatory Assistance.

5.1.1. Merck Rights and Obligations. As between the Parties, Merck will (a) be solely responsible for, and will solely own, all applications for Regulatory Approval and Pricing Approval with respect to a Licensed Product and (b) have the sole right and responsibility to (i) file all INDs and make all other filings with the Regulatory Authorities, and to otherwise seek all Regulatory Approvals and Pricing Approvals for Licensed Products, in the Territory, as well as to conduct all correspondence and communications with Regulatory Authorities regarding such matters and (ii) report all adverse events to Regulatory Authorities if and to the extent required by Applicable Law. Promptly following Merck making a Pre-Clinical Development Candidate Designation with respect to a Licensed Product, Mersana will, and does hereby, assign to Merck or its designated Affiliate or Sublicensee all of its right, title and interest in and to all Regulatory Documentation solely relating to any applicable ADC or such Licensed Product.

5.1.2. Mersana Cooperation. At Merck's reasonable request and sole expense, Mersana will consult and cooperate with Merck in and provide all other reasonable assistance preparing filings and submissions necessary to obtain and maintain Regulatory Approval for each Licensed Product. Such assistance may include (a) providing Mersana Regulatory Documentation to the extent it is able to do so without violating the terms of an agreement with a Third Party and which Mersana Regulatory Documentation may be redacted to remove information not relevant for the purposes hereunder, (b) providing other technical information in Mersana's Control that is necessary or useful for Merck in connection with any application for Regulatory Approval or Pricing Approval for the Licensed Product, and (c) providing rights of reference and necessary instruments effectuating such rights to the extent such rights of reference may be granted by Mersana without violating any agreement between Mersana and a Third Party and are necessary or useful in Merck's respective filings relating to a Licensed Product. Merck will compensate Mersana for such assistance in accordance with Section 6.2.

5.2. Regulatory Participation. Merck will keep Mersana reasonably informed regarding the status and progress of seeking Regulatory Approval for each Licensed Product, including:

5.2.1. Access to Applications. Providing Mersana with access to any applications for Regulatory Approval proposed to be made to or with a Regulatory Authority with respect to a Licensed Product reasonably in advance of filing such applications; and

5.2.2. Correspondence. Providing Mersana with a copy of all material, substantive written correspondence from a Regulatory Authority regarding the status and progress of seeking Regulatory Approval for a Licensed Product to the extent such correspondence is related to the Mersana Technology or the Mersana Platform Technology.

6. Fees, Milestones, and Royalties.

6.1. Technology Access Fee. After the Effective Date, within [***] days after receipt of the corresponding invoice from Mersana, Merck will pay to Mersana, a one-time, non-refundable, non-creditable, upfront fee of Twelve Million Dollars ($12,000,000.00) (the

"**Technology Access Fee**"). Payment of the Technology Access Fee shall be subject to any withholding Tax obligations set forth in Section 6.9.1.

6.2. Research Fees.

6.2.1. Research Fees. Merck will pay Mersana at the annual fully loaded FTE Rate, for each FTE who performs Development, consultation or support work under the applicable Research Plan or this Agreement (including pursuant to Section 4.3.1, Section 4.3.3, and Section 5.1.2), which FTE Rate shall include the cost of routine lab supplies and materials used by such FTEs in such Development, consultation or support work (the "**FTE Fees**"). Merck shall also pay Mersana for all non-routine supplies and materials used by Mersana in the performance of activities under the applicable Research Plan and amounts paid to Third Parties (including consultants, vendors and suppliers) performing activities on behalf of Mersana under the Research Plan (including out-of-pocket costs pursuant to Section 4.3.1, Section 4.3.3, and Section 5.1.2), in each case, at the actual and verifiable out-of-pocket costs to Mersana therefor (the "**Supply Fees**"); ***provided*** that any such Supply Fees are included in the budget that is included within the applicable Research Plan approved pursuant to Section 2.5.2.2(b). The FTE Fees and the Supply Fees are collectively referred to herein as the "**Research Fees**."

6.2.2. Payment Process.

6.2.2.1. Pre-Payments.

(a) First Calendar Quarter. Following the Effective Date, Merck will make an initial pre-payment of [***] within [***] Business Days after receipt of the corresponding invoice from Mersana to cover [***] percent [***] of the estimated Research Fees for the first Calendar Quarter of the [***] Research Programs.

(b) Subsequent Calendar Quarters. At the latest [***] days prior to the end of each Calendar Quarter during the Research Program Term for each Research Program, the JPT will develop a good faith estimate of the Research Fees to be incurred during the subsequent Calendar Quarter in such Research Program in accordance with the applicable Research Plan ([***] percent [***] of such estimate, an "**Estimated Pre-Payment**"). Merck will pay to Mersana within [***] days after the receipt of the corresponding invoice the Estimated Pre-Payment for such Calendar Quarter minus any Overage retained by Mersana.

6.2.2.2. Reconciliation. Within [***] days after the end of each Calendar Quarter during each Research Program Term, Mersana will provide Merck with a reasonably detailed invoice including information concerning the Research Fees actually incurred during such Calendar Quarter. If such Research Fees exceed amounts pre-paid by Merck for such Calendar Quarter (including any amounts carried forward from previous

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Calendar Quarters pursuant to the next sentence), they will be paid by Merck within [***] days following receipt of the applicable invoice. Any amounts pre-paid pursuant to Section 6.2.2.1 with respect to a Research Program for a Calendar Quarter, that exceed the Research Fees actually incurred during such Calendar Quarter (such excess amount, the "**Overage**"), will be carried forward for pre-payment for the subsequent Calendar Quarter in addition to any additional payment required by Section 6.2.2.1 necessary to make the full Estimated Pre-Payment. Any Overage retained by Mersana and not credited hereunder before the end of a Research Program Term for a Research Program will be refunded to Merck within [***] days following the end of such Research Program Term or the earlier termination of this Agreement.

6.3. Royalties Payable by Merck.

6.3.1. Royalties. Merck will pay to Mersana royalties on annual aggregate Net Sales of all Licensed Products at the following rates as set forth below, whereby it is understood that a higher royalty rate shall only be payable for that portion of Net Sales that exceeds the threshold of sales that determines such higher royalty rate:

Worldwide annual aggregate Net Sales of all Licensed Products	Royalty rate
[***]	[***]
[***]	[***]
[***]	[***]

6.3.2. Royalty Example. For avoidance of doubt, the incremental royalty rates set forth in Section 6.3.1 will only apply to that portion of the Net Sales that falls within the indicated range of sales. By way of example only if, during a Calendar Year, Net Sales of all Licensed Products were equal to [***] million, the royalty payable by Merck would be calculated by adding (a) the royalty due on Net Sales with respect to the first [***] million at the first level percentage of [***] percent [***] and (b) the royalty due on Net Sales with respect to the next [***] million at the second level percentage of [***] percent [***]. The obligation to pay royalties will be imposed only once with respect to the same unit of Licensed Product sold by Merck, its Affiliates or Sublicensees.

6.3.3. Royalty Term. Merck's obligation to pay royalties under Section 6.3.1 will commence on the First Commercial Sale of a Licensed Product and continue on a country-by-country and Licensed Product-by-Licensed Product basis until the later to occur of (a) the last to expire Valid Patent Claim of any Mersana Patent Right or Mersana Platform Patent Right covering or claiming the Exploitation of such Licensed Product in such country or (b) [***] years following the date of First Commercial Sale of such Licensed Product in such country (the "**Royalty Term**").

6.3.4. Royalty Adjustments.

6.3.4.1. No Mersana Patent Right Coverage. On a country-by-country and Licensed Product-by-Licensed Product basis, at such time that there is no Valid Patent Claim of any Mersana Patent Right, or Mersana Platform Patent Right covering or claiming the Exploitation of such Licensed Product in such country, the amount of payment

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owed pursuant to Section 6.3.1 with respect to Net Sales of such Licensed Product will be [***] percent [***] of the amount that would otherwise be due pursuant to Section 6.3.1.

6.3.4.2. Third Party Agreements.

(a) Merck will be entitled to deduct from the amount due to Mersana under Section 6.3.1 with respect to Net Sales of a Licensed Product in a particular country in the Territory an amount equal to [***] percent [***] of any amounts incurred in the license of Third Party rights [***].

(b) Mersana will promptly notify Merck of any Future Mersana In-License. If Merck wishes to include the rights granted to Mersana under such Future Mersana In-license within the scope of an Exclusive License, it will notify Mersana within [***] days after receiving notice of such agreement from Mersana and the Parties will negotiate the economic terms thereof in good faith for a period of [***] days thereafter. If the Parties reach agreement on such economic terms, such Third Party agreement will be deemed to be a Future Mersana In-License. If under such agreement, Merck is responsible for paying royalties owed by Mersana under any such Future Mersana In-License to the extent due as a result of Exploitation of a Licensed Product in the Territory by Merck or its Affiliates or Sublicensees, Merck will be entitled to deduct from the amount due to Mersana under Section 6.3.1 with respect to Net Sales of a Licensed Product in a particular country in the Territory an amount equal to [***] percent [***] of any amounts paid by Merck under such Future Mersana In-License based upon the sales of, or to the extent incurred with respect to the Exploitation of, such Licensed Product in such country.

6.3.4.3. Competing Product. If, in a country of the Territory, a Licensed Product is [***] covered by one or more [***] claims of any [***] Patent Right or [***] Patent Right, which, but for the licenses granted under this Agreement, would be infringed by the Commercialization of such Licensed Product, and the Commercialization of a Licensed Product in such country is not covered by any [***] Patent Right, and where a Competing Product with respect to such Licensed Product [***], Merck may reduce the royalties that would otherwise be due pursuant to Section 6.3.1 based on Net Sales in such country by [***] percent [***]; ***provided*** however, that such royalties shall only be reduced until the earlier of when (a) [***] Mersana takes action to stop Commercialization of such Competing Product ([***]); or (b) such Competing Product is withdrawn from the market in said country.

6.3.4.4. Limitations on Royalty Adjustments. Notwithstanding anything to the contrary, in no event will the royalty rates for payments to Mersana be reduced

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pursuant to Section 6.3.4.1, Section 6.3.4.2, and Section 6.3.4.3 below [***] percent [***] of the royalty payments otherwise due pursuant to Section 6.3.1.

6.4. Development Milestone Payments. Merck shall promptly notify Mersana after the first occurrence of each event set forth in the table below with respect to each Designated Target or Licensed Product, as applicable, to achieve such event and pay to Mersana the following milestone payments within [***] days following the receipt of the corresponding invoice from Mersana:

Row	Development Milestone	Payment
1	Delivery by Mersana of an ADC directed to each Designated Target that meets the Performance Specifications set forth in the applicable Research Plan	$500,000
2	[***]	[***]
3	[***]	[***]
4	[***]	[***]
5	[***]	[***]
6	[***]	[***]
7	[***]	[***]
8	[***]	[***]
9	[***]	[***]
10	[***]	[***]
11	[***]	[***]

6.5. Sales Milestone Payments.

6.5.1. **Sales Milestones**. With respect to each Licensed Product, Merck shall notify Mersana within [***] days after the end of the Calendar Quarter in which the annual aggregate Net Sales of such Licensed Product in the Territory first reach the following thresholds and will pay to Mersana the following sales milestone payments within [***] days after receipt of the corresponding invoice from Mersana:

Annual Net Sales of a Licensed Product	Payment
Greater than [***]	[***]
Greater than [***]	[***]
Greater than [***]	[***]

6.5.2. **Sales Milestones Payment Limitations**. Each sales milestone payment is separate and may only be earned once for each Licensed Product, irrespective of the number of times such thresholds are achieved for such Licensed Product, but if more than one Net Sales threshold is reached in the same Calendar Year, all corresponding sales milestone payments will be payable during such Calendar Year. For example, if annual Net Sales of a Licensed Product [***].

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6.6. **Payment Terms**. Royalties shown to have accrued by each Royalty Report provided for under Section 6.10 will be due on the date such Royalty Report is due pursuant to Section 6.10.1.1.

6.7. **Payment Method**. All payments by Merck to Mersana under this Agreement will be paid in United States Dollars, and all such payments will be made by bank wire transfer in immediately available funds to the bank account designated by Mersana in writing; ***provided***, that such account information is provided to Merck at least [***] days prior to any such payment becoming due hereunder.

6.8. **Late Payments**. All payments under this Agreement shall earn interest from the date due until paid at a per annum rate equal to the lesser of (a) the maximum rate permissible under Applicable Law and (b) [***] percent [***] above the monthly Reuters 01 EURIBOR, measured at 2 p.m. Frankfurt/Germany time on the date payment is due. Interest will be calculated on a 365/360 basis.

6.9. **Taxes**

6.9.1. **Withholding Taxes**. Except as otherwise provided below, all amounts due from Merck to Mersana under this Agreement are gross amounts. Merck will be entitled to deduct the amount of any withholding Taxes payable or required by Applicable Law to be withheld by Merck, its Affiliates or Sublicensees, to the extent Merck, its Affiliates or Sublicensees pay such withheld amounts to the appropriate Governmental Authority on behalf of Mersana. Merck will use Commercially Reasonable Efforts to minimize any such Taxes, levies or charges required to be withheld on behalf of Mersana by Merck, its Affiliates or Sublicensees. Merck promptly will deliver to Mersana proof of payment of all such Taxes, levies and other charges, together with copies of all communications from or with such Governmental Authority with respect thereto, and other supporting documentation as may be required by the Governmental Authority, and will cooperate with Mersana in seeking any related Tax exemption or credits that may be available to Mersana with respect thereto.

6.9.2. **Value Added Tax (VAT)**.

6.9.2.1. All remuneration amounts paid by Merck to Mersana are net amounts. It is the common understanding of the Parties that the transactions under this Agreement are subject to the reverse-charge-mechanism under the German VAT Code. Mersana will refer to the reverse-charge-mechanism in its proper invoices and will not add VAT to the net amounts in the invoices. Merck will pay this VAT according to the German VAT Code.

6.9.2.2. In case the transactions under this Agreement are subject to VAT (or similar GST or sales Taxes) within the United States, VAT shall be added to the net amounts and be paid by Merck to Mersana. Mersana shall remit such VAT to the proper Tax authorities and shall cooperate with Merck in any way reasonably requested by Merck, to obtain available reductions, credits or refunds of any VAT amount attributable to the transactions under this Agreement unless otherwise stated by local law. In that case Merck is entitled to receive a proper invoice where any VAT amount is shown separately.

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6.10. **Royalty Reports and Accounting**

6.10.1. **Royalty Reports, Payments and Exchange Rates**.

6.10.1.1. **Royalty Reports and Payments**. Within [***] days after the end of each Calendar Quarter during which Licensed Products have been sold, Merck shall deliver to Mersana, together with the applicable royalty payment due, a written report (each, a "**Royalty Report**"). Each such Royalty Report shall be deemed "Confidential Information" of Merck subject to the obligations of Section 7 and shall include on a Licensed Product-by-Licensed Product and a country-by-country basis in reasonable detail:

(a) the Net Sales of Licensed Products in the Territory and the royalties payable in United States Dollars;

(b) the month and Calendar Year of the First Commercial Sale of each Licensed Product in each country in the Territory for which royalties are due hereunder, if it has occurred during the corresponding Calendar Quarter; and

(c) the exchange rates (as determined pursuant to Section 6.10.1.2) used in determining the royalty amount expressed in United States Dollars.

6.10.1.2. Exchange Rates. With respect to sales not denominated in United States Dollars, Merck shall convert each applicable quarterly sales in foreign currency into United States Dollars by using the then-current and reasonable standard exchange rate methodology applied to its external reporting. Based on the resulting sales in United States Dollars, the then applicable royalties shall be calculated. The Parties may vary the method of payment set forth herein at any time upon mutual agreement, and any change shall be consistent with the Applicable Law at the place of payment or remittance.

6.10.2. Audits.

6.10.2.1. Upon the written request of Mersana and with at least [***] days prior written notice, but not more than once in any Calendar Year, Merck will permit an independent certified public accounting firm of internationally recognized standing, selected by Mersana and reasonably acceptable to Merck, at Mersana's sole cost and expense (except as set forth in this Section 6.10.2), to have access during normal business hours to such of the records of Merck as required to be maintained under this Agreement to verify the accuracy of the Royalty Reports due hereunder. Such accountants may audit records relating to Royalty Reports made for any year ending not more than [***] months prior to the date of such request. The accounting firm will disclose to Mersana only whether the Royalty Reports were correct or not, and the specific details concerning any discrepancies and such information will be shared at the same time with Merck. No other information obtained by such accountants will be shared with Mersana.

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6.10.2.2. If such accounting firm concludes that any royalties were owed but not paid to Mersana, Merck will pay the additional royalties within [***] days following the date Mersana delivers to Merck such accounting firm's written report so concluding, together with the interest payment required by Section 6.8. The fees charged by such accounting firm will be paid by Mersana; ***provided***, that if the audit discloses that the royalties payable by Merck for the audited period are more than [***] percent [***] of the royalties actually paid for such period, then Merck will pay the reasonable fees and expenses charged by such accounting firm. If such accounting firm concludes that the royalties paid were more than what was owed during such period, Mersana will refund the overpayments within [***] days following the date Mersana receives such accounting firm's written report so concluding.

6.10.2.3. Upon the written request of Merck and with at [***] days prior written notice, but not more than once in any Calendar Year, Mersana will permit an independent certified public accounting firm of internationally recognized standing, selected by Merck and reasonably acceptable to Mersana, at Merck's sole cost and expense, to have access during normal business hours to such of the records of Mersana as required to be maintained under this Agreement to verify the accuracy of the Research Fees and fees incurred by the Exploitation of Future Mersana In-licenses due hereunder. Such accountants may audit such records made for any year ending not more than [***] months prior to the date of such request. The accounting firm will disclose to Merck only whether the Research Fees or fees incurred by the Exploitation of Future Mersana In-licenses were correct or not, and the specific details concerning any discrepancies and such information will be shared at the same time with Mersana. No other information obtained by such accountants will be shared with Merck.

6.10.2.4. If such accounting firm concludes that any Research Fees or other reimbursements were paid but not owed to Mersana, Mersana will refund or reimburse Merck such overpaid amounts within [***] days following the date Merck delivers to Mersana such accounting firm's written report so concluding, together with the interest payment required by Section 6.8. The fees charged by such accounting firm will be paid by Merck; ***provided***, that if the audit discloses that the Research Fees or other reimbursements payable by Merck for the audited period are less than [***] percent [***] of such amounts actually paid for such period, then Mersana will pay the reasonable fees and expenses charged by such accounting firm. If such accounting firm concludes that the Research Fees or fees incurred by the Exploitation of Future Mersana In-licenses paid were less than what was owed during such period, Merck will pay the underpayments within [***] days following the date Merck receives such accounting firm's written report so concluding.

6.10.3. Confidential Financial Information. Each Party will treat all financial information of the other Party subject to review under this Section 6 or under any sublicense agreement of the other Party as Confidential Information of such other Party as set forth in Section 7, and will cause its accounting firm to retain all such financial information in confidence under terms substantially similar to those set forth in Section 7 and with respect to each inspection, the independent accounting firm will be obliged to execute for each Party's benefit a reasonable confidentiality agreement prior to commencing any such inspection.

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7. Confidentiality.

7.1. Non-Disclosure Obligations. Except as otherwise provided in this Section 7 during the Term and for a period of [***] years thereafter, each Party and their respective Affiliates will maintain in confidence, and use only for purposes as expressly authorized and contemplated by this Agreement, all Confidential Information of the other Party. The terms of this Agreement and Confidential Information consisting of Joint Know-How will be Confidential Information of both Parties (and both Parties will be deemed the receiving Party with respect thereto). Each Party will use at least the same standard of care as it uses (but not less than reasonable care) to protect its own Confidential Information to ensure that its and its Affiliates' and Sublicensees' employees, agents,

consultants and clinical investigators only make use of the other Party's Confidential Information for purposes as expressly authorized and contemplated by this Agreement and do not disclose or make any unauthorized use of such Confidential Information.

7.2. Permitted Disclosures.

7.2.1. Exceptions. The provisions of Section 7.1 will not apply to information, documents or materials that the receiving Party can conclusively establish:

7.2.1.1. have become published or otherwise entered the public domain or become generally available to the public other than by breach of this Agreement by the receiving Party or its Affiliates;

7.2.1.2. are permitted to be disclosed by prior consent of the other Party;

7.2.1.3. have become known to the receiving Party by a Third Party, provided such Confidential Information was not obtained by such Third Party directly or indirectly from the disclosing Party on a confidential basis;

7.2.1.4. prior to disclosure under this Agreement, were already in the possession of the receiving Party, its Affiliates or Sublicensees; or

7.2.1.5. have been independently developed by or for the receiving Party without reference to the disclosing Party's Confidential Information;

7.2.2. Limitations on Exceptions. The exceptions described in Section 7.2.1.4 and Section 7.2.1.5 will not apply with respect to Confidential Information constituting (a) Mersana Platform Know-How that was originally invented, conceived or developed by Merck or (b) Product Know-How originally invented, conceived or developed by Mersana.

7.2.3. Other Permitted Disclosures. Each Party may also disclose Confidential Information as set forth below in this Section 7.2.3. Notwithstanding the disclosures permitted under this Section 7.2.3, any Confidential Information so disclosed will remain subject to the confidentiality obligations of Section 7.1, unless and until any exceptions described in Section 7.2.1 will apply. Either Party may disclose Confidential Information to the extent such disclosure is made:

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7.2.3.1. in response to a valid order of a court of competent jurisdiction or other Governmental Authority or Regulatory Authority or, if in the reasonable opinion of the receiving Party's legal counsel, such disclosure is otherwise required by Applicable Law, including by reason of filing with securities regulators (including the rules and regulations of any stock exchange or trading market on which the disclosing Party's (or its parent's) securities are traded); ***provided***, that the receiving Party where reasonably practicable will first have given notice to the disclosing Party and given the disclosing Party a reasonable opportunity to quash such order or to obtain a protective order or confidential treatment requiring that the Confidential Information and documents that are the subject of such order or requirement be held in confidence by such court or agency or, if disclosed, be used only for the purposes for which the order was issued; ***provided***, ***further***, that the Confidential Information disclosed in response to such court or governmental order or Applicable Law will be limited to that information which is legally required to be disclosed in response to such court or governmental order or Applicable Law (including the rules and regulations of any stock exchange or trading market on which the disclosing Party's (or its parent's) securities are traded);

7.2.3.2. solely to the extent reasonably necessary in a patent application claiming Product Patent Rights or Mersana Platform Patent Rights made hereunder to be filed with the United States Patent and Trademark Office or any similar foreign agency; ***provided***, that the Party filing the patent will provide at least [***] days prior written notice of such disclosure to the other Party and take reasonable and lawful actions to avoid or minimize the degree of disclosure;

7.2.3.3. by Merck, to a Regulatory Authority, as reasonably required or useful in connection with any filing, submission or communication with respect to any ADC or Licensed Product; ***provided***, that reasonable measures will be taken to assure confidential treatment of such information, to the extent such protection is available;

7.2.3.4. to a Sublicensee as permitted hereunder; ***provided***, that such Sublicensee is then subject to obligations of confidentiality and limitations on use of such Confidential Information substantially similar to those contained herein and Merck otherwise complies with Section 3.3; and

7.2.3.5. by Mersana to actual or potential strategic partners, investors or acquirers; ***provided***, that such disclosures will be limited to the terms of this Agreement and pre-clinical data and results, in each case arising out of a Research Program and that are presented in a manner that does not divulge or otherwise make available (a) the identity of any Designated Target, (b) the identity of any ADC or any Merck Antibody used in the Research Program, or (c) the identity of Merck or any of its Affiliates or Sublicensees; ***provided***, further, that, in each case, such Third Party recipient is then subject to obligations of confidentiality and limitations on use of such Confidential Information substantially similar to those contained herein.

7.3. Press Releases and Other Disclosures to Third Parties. Neither Mersana nor Merck will, without the prior consent of the other, issue any press release or make any other public announcement or furnish any statement to any person or entity (other than either Party's

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respective Affiliates) concerning the existence of this Agreement, its terms and the transactions contemplated hereby, except for (a) an initial press release mutually agreed upon by the Parties and substantially in the form attached hereto as Schedule 7.3, (b) disclosures made in compliance with Section 7.1, Section 7.2 and Section 7.4, (c) disclosures made to attorneys, consultants, and accountants retained to represent the Parties in connection with the negotiation and consummation of the transactions contemplated hereby, and (d) press releases by Merck, in its sole discretion, regarding Merck's activities under this Agreement with respect to a Licensed Product following Merck making a Pre-Clinical Development Candidate Designation with respect thereto, with Mersana being provided a courtesy copy of such press release. In addition, if so required, first approval by a Party of the contents of a press release or public disclosure will constitute permission of a Party to use such same contents subsequently, without submission of the press release or public disclosure to a Party for approval.

7.4. Use of Name. Except as expressly provided herein, neither Party will mention or otherwise use the name, logo or trademark of the other Party or any of its Affiliates or any of its or their Sublicensees (or any abbreviation or adaptation thereof) (including any Product Trademark) in any publication, press release, marketing and promotional material or other form of publicity without the prior written consent of such other Party. The restrictions imposed by this Section 7.4 will not prohibit either Party from making any disclosure identifying the other Party (a) to the extent required in connection with its exercise of its rights or obligations under this Agreement or (b) that is required by Applicable Law or the rules of a stock exchange on which the securities of the disclosing Party are listed (or to which an application for listing has been submitted).

7.5. Publications Regarding Results of the Research Program. Neither Party may publish, present or announce results of the Research Programs or Development of ADCs or Licensed Products hereunder either orally or in writing (a "**Publication**") without complying with the provisions of this Section 7.5. A Party wishing to make a Publication will provide the other Party with a copy of the proposed Publication. The other Party will have [***] days from receipt of a proposed Publication to provide comments or proposed changes to the publishing Party. The publishing Party will take into account the comments or proposed changes made by the other Party on any Publication and will agree to designate employees or others acting on behalf of the other Party as co-authors on any Publication describing results to which such persons have contributed in accordance with standards applicable to authorship of scientific publications. If the other Party reasonably determines that the Publication would entail the public disclosure of such Party's Confidential Information or of a patentable invention upon which a patent application should be filed prior to any such disclosure, submission of the concerned Publication to Third Parties will be delayed for such period as may be reasonably necessary for deleting any such Confidential Information of the other Party (if the other Party has requested deletion thereof from the proposed Publication), or the drafting and filing of a patent application covering or claiming such invention, provided such additional period will not exceed [***] days from the date the publishing Party first provided the proposed Publication to the other Party. Notwithstanding anything to the contrary in the foregoing, with respect to any Publications by investigators, such materials will be subject to review by Mersana under this Section 7.5 only to the extent that Merck has the right to review such Publications, and Merck will use Commercially Reasonable Efforts to obtain such right.

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7.6. Return of Confidential Information. Upon the earlier of (a) the effective date of the termination of this Agreement for any reason or (b) the expiration or termination of the Target Exclusivity Period with respect to a Designated Target, in each case (of (a) and (b)) with respect to Confidential Information to which such non-requesting Party does not retain rights under the surviving provisions of this Agreement each Party will, upon and in accordance with the other Party's request in writing, either: (i) promptly destroy all copies of such Confidential Information in the possession or control of the non-requesting Party and confirm such destruction in writing to the requesting Party; or (ii) promptly deliver to the requesting Party, at the non-requesting Party's sole cost and expense, all copies of such Confidential Information in the possession or control of the non-requesting Party. Notwithstanding the foregoing, the non-requesting Party will be permitted to retain such Confidential Information (A) to the extent necessary or useful for purposes of performing any continuing obligations or exercising any ongoing rights hereunder and, in any event, a single copy of such Confidential Information for archival purposes and (B) any computer records or files containing such Confidential Information that have been created solely by such non-requesting Party's automatic archiving and back-up procedures, to the extent created and retained in a manner consistent with such non-requesting Party's standard archiving and back-up procedures, but not for any other uses or purposes. All Confidential Information will continue to be subject to the terms of this Agreement for the period set forth in Section 7.1.

8. Inventions and Patents.

8.1. Disclosure of Inventions. Merck will promptly disclose to Mersana any Joint Technology, Mersana Platform Technology or Product Technology that Merck invents, conceives, develops or reduces to practice. Mersana will promptly disclose to Merck any Joint Technology or Product Technology that Mersana invents, conceives, develops or reduces to practice.

8.2. Ownership of Intellectual Property.

8.2.1. Mersana Rights. The Parties acknowledge and agree that Mersana is and will be the sole and exclusive owner of all right, title and interest in and to any Mersana Technology and any Mersana Platform Technology.

8.2.2. Merck Rights. The Parties acknowledge and agree that Merck is and will be the sole and exclusive owner or licensee of all right, title and interest in and to any Merck Technology and any Product Technology.

8.2.3. Joint Technology. The Parties acknowledge and agree that the Parties will each own an equal, undivided interest in Joint Technology. Each Party will have the right to Exploit the Joint Technology without a duty of seeking consent of or accounting to the other Party; ***provided***, that neither Party will have the right to disclose (except as provided in Section 7) or license (except as may be permitted under Section 3) any Joint Technology without the prior written consent of the other Party.

8.2.4. Other Intellectual Property. Except as set forth above in this Section 8.2, all Know-How and Patent Rights will be owned by the Party that invented, conceived or

developed such Know-How or Patent Rights, and the determination of which Party invented, conceived or developed such Know-How or Patent Rights will be made in accordance with Applicable Law in the United States.

8.2.5. **Assignment of Rights**. Each Party will and hereby does assign to the other Party, and will cause each of its officers, directors, employees, Affiliates, Sublicensees (in the case of Merck), subcontractors and agents to assign to the other Party any right, title and interest in and to Patent Rights and Know-How, without additional compensation, as is necessary to fully effect the sole and joint ownership of Mersana Platform Technology, Product Technology, and Joint Technology provided for Section 8.2.1, Section 8.2.2 and Section 8.2.3.

8.3. **Patent Prosecution and Maintenance**.

8.3.1. **Mersana Patent Rights**. Mersana will have the sole right and authority, but not the obligation, to prepare, file, prosecute and maintain the Mersana Patent Rights on a worldwide basis and to be responsible for any related interference, re-issuance, re-examination and opposition proceedings, in each case, at Mersana's sole expense.

8.3.2. **Merck Patent Rights**. Merck will have the sole right and authority, but not the obligation, to prepare, file, prosecute and maintain the Merck Patent Rights on a worldwide basis, and to be responsible for any related interference, re-issuance, re-examination and opposition proceedings, in each case, at Merck's sole expense.

8.3.3. **Mersana Platform Patent Rights**. Subject to Section 8.3.6, Mersana will have the sole right and authority, but not the obligation, to prepare, file, prosecute and maintain the Mersana Platform Patent Rights on a worldwide basis and to be responsible for any related interference, re-issuance, re-examination and opposition proceedings, in each case, at Mersana's sole expense.

8.3.4. **Product Patent Rights**. Subject to Section 8.3.6 and Section 2.4.4.2(b), Merck will have the sole right and authority, but not the obligation, to prepare, file, prosecute and maintain the Product Patent Rights covering or claiming such Licensed Product on a worldwide basis and to be responsible for any related interference, re-issuance, re-examination and opposition proceedings, in each case, at Merck's sole expense.

8.3.5. **Joint Patent Rights.** Mersana will have the first right and authority, but not the obligation, to prepare, file, prosecute and maintain the Joint Patent Rights on a worldwide basis and to be responsible for any related interference, re-issuance, re-examination and opposition proceedings. Mersana will keep Merck reasonably informed and provide reasonable opportunity for Merck to comment with respect to all material steps with regard to the filing, prosecution and maintenance of Joint Patent Rights and will reasonably consider such comments in good faith. The Parties will [***] the costs associated with filing, prosecution, and maintenance of such Joint Patent Rights; ***provided***, that Merck will have the right, on written notice to Mersana to elect not to bear such costs with respect to a Joint Patent Right, in which case Merck will, and does hereby, assign its right, title and interest in and to such Joint Patent Right to Mersana. If Mersana decides not to continue prosecuting any Joint Patent Rights, then Mersana will promptly so notify Merck in writing (which written notice will be at least [***]

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days before any relevant deadline prior to taking any extension for such Joint Patent Right), in which case, Mersana will, and does hereby, assign its right, title and interest in and to such Joint Patent Right to Merck. Thereafter, Merck will have the right, but not the obligation, to prosecute or maintain such Joint Patent Right, and to be responsible for any related interference, re-issuance, re-examination and opposition proceedings, at Merck's sole expense.

8.3.6. **Cooperation**.

8.3.6.1. The Parties will at all times fully cooperate with each other in order to reasonably implement the foregoing provisions of this Section 8.3. Such cooperation may include each Party's execution of necessary legal documents, coordinating filing or prosecution of applications to avoid potential issues during prosecution (including novelty, enablement, estoppel and double patenting and execution of amendments), and the assistance of each Party's relevant personnel. Each Party will use reasonable efforts to avoid creating potential issues in prosecution of the patent applications covering or claiming Mersana Patent Rights, Mersana Platform Patent Rights, Merck Patent Rights, Product Patent Rights or Joint Patent Rights via the JIPC.

8.3.6.2. Notwithstanding anything to the contrary in this Agreement, it is agreed between the Parties that Merck shall have the right to making any filing in a country with respect to a Product Patent Right beyond the date that is four weeks prior to IND filing or application for Regulatory Approval.

8.3.7. **Patent Term Extension and Supplementary Protection Certificate**. As between the Parties, [***] will have the sole right to make decisions regarding, and to apply for, patent term extensions in the Territory, including in the United States with respect to extensions pursuant to 35 U.S.C. §156 et. seq. and in other jurisdictions pursuant to supplementary protection certificates, and in all jurisdictions with respect to any other extensions that are now or become available in the future, wherever applicable (collectively, the "**Extensions**"), for the [***] Patent Rights and [***] Patent Rights, in each case including whether or not to do so. [***] will provide prompt and reasonable assistance with respect thereto, as requested by [***], including by taking such action as is required under any Applicable Law to obtain such extension or supplementary protection certificate. As between the Parties, [***] will have the sole right to make decisions regarding, and to apply for, Extensions for the [***] Patent Rights, [***] Patent Rights, and [***].

8.3.8. **Common Ownership Under Joint Research Agreements**. Notwithstanding anything to the contrary in this Section 8, neither Party will have the right to make an election under 35 U.S.C. 103(c) when exercising its rights under this Section 8 without the prior written consent of the other Party. With respect to any such permitted election, the Parties will coordinate their activities with respect to any submissions, filings or other activities in support thereof. The Parties acknowledge and agree that this Agreement is a "joint research agreement" as defined in 35 U.S.C. 100(h).

8.4. **Enforcement of Patent Rights**.

8.4.1. **Notification of Infringement**. In the event either Party becomes aware

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of an infringement by a Third Party of a Mersana Patent Right, Mersana Platform Patent Right, Merck Patent Right, Product Patent Right or Joint Patent Right it will promptly notify the other Party. In no event will a Party make an argument or settle a dispute that would render a claim in a Joint Patent Right or, in the case of Merck, a Mersana Platform Patent Right or Mersana Patent Right, or, in the case of Mersana, a Product Patent Right or Merck Patent Right, to be invalid or unenforceable without the other Party's prior written consent.

8.4.2. **Mersana Patent Rights**; **Mersana Platform Patent Rights**. Mersana will have the sole right, at its sole expense, but not the obligation, to determine the appropriate course of action to enforce the Mersana Patent Rights and the Mersana Platform Patent Rights or otherwise to abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce the Mersana Patent Rights and the Mersana Platform Patent Rights, to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to the Mersana Patent Rights and the Mersana Platform Patent Rights. Merck shall cooperate with and assist Mersana in all reasonable respects with any such litigation, enforcement action, or settlement. Upon the reasonable request of Mersana, Merck shall join such litigation, enforcement action, or settlement and shall be represented using counsel of its own choice, at Mersana's expense.

8.4.3. **Merck Patent Rights**. Merck will have the sole right, at its sole expense, but not the obligation, to determine the appropriate course of action to enforce Merck Patent Rights, or otherwise to abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce the Merck Patent Rights, to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to the Merck Patent Rights. Mersana shall cooperate with and assist Merck in all reasonable respects with any such litigation, enforcement action, or settlement. Upon the reasonable request of Merck, Mersana shall join such litigation, enforcement action, or settlement and shall be represented using counsel of its own choice, at Merck's expense.

8.4.4. [***]. [***] will have the sole right, at its sole expense, to determine the appropriate course of action to enforce [***], or otherwise to abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce the [***], to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to the [***]. [***] will fully cooperate with [***], at [***] request and expense, in any action to enforce the [***]. All monies recovered upon the final judgment or settlement of any such suit to enforce any such [***] will be allocated first to [***] to the extent necessary to compensate it for its expenses in its enforcement, second to [***] to the extent necessary to compensate it for its expenses in cooperating with [***] in its enforcement, and finally any remaining amounts will be split between the Parties so that Mersana retains [***] percent [***] and Merck retains [***] percent [***] of such amounts.

8.4.5. **Joint Patent Rights**. The Parties shall discuss and mutually agree on an appropriate course of action in the event of any infringement by a Third Party of any Joint Patent Right.

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8.5. **In-Licensed Patent Rights**. Notwithstanding anything to the contrary in this Agreement, with respect to any Mersana Patent Rights or Mersana Platform Patent Rights that are subject to the Original Mersana In-Licenses or any Future Mersana In-Licenses, the rights and obligations of the Parties under Section 8.3 and 8.4 will be subject to Mersana's licensors' rights to participate in and control prosecution, maintenance and enforcement of such Mersana Patent Rights and Mersana Platform Patent Rights, and to receive a share of damages recovered in such action, in accordance with the terms and conditions of the applicable Original Mersana In-License or Future Mersana In-License.

8.6. **Trademarks**.

8.6.1. Merck will be responsible for the selection, registration, maintenance and defense of all trademarks for use in connection with the sale or marketing of the Licensed Products in the Territory (collectively, "**Product Trademarks**") at Merck's own cost and expense, and Merck will own such Product Trademarks.

8.6.2. Mersana will not, and will not permit its Affiliates to, attack, dispute or contest the validity of or ownership of any Product Trademark anywhere in the Territory or any registrations issued or issuing with respect thereto that is confusingly similar to, misleading or deceptive with respect to or that dilutes any (or any part) of any Product Trademark. Mersana will not, and will not permit its Affiliates to, (a) use in their respective businesses, any trademark that is confusingly similar to, misleading or deceptive with respect to or that dilutes any (or any part) of any Product Trademark and (b) do any act that endangers, destroys, or similarly affects, in any material respect, the value of the goodwill pertaining to any Product Trademark.

8.6.3. Merck will not, and will not permit its Affiliates to, attack, dispute or contest the validity of or ownership of any trademark owned or Controlled by Mersana that is used in connection with the sale or marketing of products arising out of Exploitation of the Mersana Technology or Mersana Platform Technology ("**Mersana Trademarks**"), anywhere in the Territory or any registrations issued or issuing with respect thereto that is confusingly similar to, misleading or deceptive with respect to or that dilutes any (or any part) of any Mersana Trademark. Merck will not, and will not permit its Affiliates to, (a) use in their respective businesses, any trademark that is confusingly similar to, misleading or deceptive with respect to or that dilutes any (or any part) of any Mersana Trademark and (b) do any act that endangers, destroys, or similarly affects, in any material respect, the value of the goodwill pertaining to any Mersana Trademark.

9. Infringement or Other Actions Brought by Third Parties.

9.1. Third Party Actions.

9.1.1. Notice of Third Party Actions. Each Party will immediately disclose to the other Party in writing any warning letter or other notice of infringement or misappropriation received by a Party, or any action, suit or proceeding brought against a Party alleging infringement of a Patent Right or misappropriation of intellectual property of any Third Party with regard to any aspect of the conduct by either Party, its Affiliates or Sublicensees pursuant to this Agreement or a Research Program (each, a "**Third Party Action**").

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9.1.2. Consultation; Settlement. The Parties will reasonably consult and cooperate with each other in all such actions or proceedings. No Party will admit the invalidity or unenforceability of any Patent Right Controlled by the other Party without the other Party's prior written consent.

9.1.3. Practice of Product Technology; Exploitation of a Licensed Product.

9.1.3.1. [***], at its own expense and through counsel of its choosing, will have the first right, but not the obligation to defend against or settle any Third Party Action in the Territory alleging that the Exploitation of any Licensed Product or the practice of Product Technology infringes or misappropriates a Third Party's intellectual property rights. [***] will have the sole and exclusive right to select counsel for such Third Party Action.

9.1.3.2. In the event that any Third Party Action in the Territory involves an allegation that (a) the Exploitation of any Licensed Product or the practice of Product Technology infringes or misappropriates a Third Party's intellectual property rights, **and** (b) the practice of the Mersana Technology or the Mersana Platform Technology infringes or misappropriates such Third Party's intellectual property rights, and if [***] declines to defend or fails to assert its intention to defend or to settle such a Third Party Action under Section 9.1.3.1 within [***] days following the receipt or provision of notice under Section 9.1.1, then [***], at its own expense and through counsel of its choosing, will have the right, but not the obligation to defend against any such Third Party Action. [***] will have the sole and exclusive right to select counsel for such Third Party Action.

9.1.3.3. In case the practice of the Mersana Technology or the Mersana Platform Technology by Merck, in each case as such Mersana Technology or Mersana Platform Technology exists as of the Effective Date, infringes or misappropriates a Third Party's intellectual property rights, all settlement costs (excluding any amounts paid under any license entered into in connection with the settlement of any such suit) and the payment of any damages to the Third Party shall be borne solely by Mersana, inclusive of cases where Merck defends or settles the claim according to Section 9.1.3.1 and Section 9.1.3.2; ***provided*** that any amounts paid by Mersana pursuant to this Section 9.1.3.3 shall not exceed the lesser of (a) [***] and (b) [***].

9.1.4. Practice of Mersana Technology or Mersana Platform Technology. Except as provided in Section 9.1.3.1 and Section 9.1.3.2, Mersana, at its own expense and through counsel of its choosing, will have the sole right, but not the obligation to defend against any Third Party Action in the Territory alleging that the practice of the Mersana Technology or the Mersana Platform Technology infringes or misappropriates a Third Party's intellectual property rights. Mersana will have the sole and exclusive right to select counsel for such Third Party Action.

9.1.5. Practice of Merck Technology. Except as provided in Section 9.1.3 or Section 9.1.4, Merck, at its own expense and through counsel of its choosing, will have the sole right, but not the obligation to defend against any Third Party Action in the Territory alleging that the practice of the Merck Technology infringes or misappropriates a Third Party's intellectual property rights. Merck will have the sole and exclusive right to select counsel for such Third Party Action.

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10. Representations, Warranties and Covenants.

10.1. Mutual Representations and Warranties. Each Party hereby represents and warrants, as of the Effective Date, and covenants (as applicable) to the other Party as follows:

10.1.1. Corporate Existence and Power. It is a company or corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is incorporated, and has full corporate power and authority and the legal right to own and operate its property and assets and to carry on its business as it is now being conducted and as contemplated in this Agreement, including the right to grant the licenses granted by it hereunder.

10.1.2. Authority and Binding Agreement. As of the Effective Date, (a) it has the corporate power and authority and the legal right to enter into this Agreement and perform its obligations hereunder; (b) it has taken all necessary corporate action on its part required to authorize the execution and

delivery of this Agreement and the performance of its obligations hereunder; (c) this Agreement has been duly executed and delivered on behalf of such Party, and constitutes a legal, valid, and binding obligation of such Party that is enforceable against it in accordance with its terms; and (d) its execution of and performance under this Agreement will not violate or breach any obligation or restriction (including any confidentiality or non-competition obligation or any exclusivity restriction) to which such Party is legally bound by contract, judicial order or otherwise.

10.1.3. **No Conflict**. It is not a party to any agreement that would prevent it from granting the rights granted to the other Party under this Agreement or performing its obligations under this Agreement. It has the full right to grant the licenses or sublicenses (as applicable) granted herein and such grant will not result in the misappropriation of any Third Party intellectual property or violation of such Third Party's rights with respect thereto. During the Term, it will not enter into any agreement, contract, commitment or other arrangement that could reasonably be expected to conflict with the rights granted to the other Party hereunder or otherwise prevent the other Party from exercising the rights granted to such other Party hereunder. Neither Party will misappropriate any trade secret of a Third Party in connection with the performance of its activities hereunder.

10.1.4. **No Debarment**. It will not use, during the Term, any employee or consultant who has been debarred by any Regulatory Authority, or, to the best of such Party's knowledge, is the subject of debarment proceedings by a Regulatory Authority.

10.1.5. **Government Authorizations**. It will maintain throughout the Term all permits, licenses, registrations, and other forms of authorizations and approvals from any Governmental Authority, necessary or required to be obtained or maintained by such Party in order for such Party to execute and deliver this Agreement and to perform its obligations hereunder in a manner which complies with all Applicable Laws.

10.2. **Additional Representations and Warranties of Mersana**. Mersana hereby represents and warrants, as of the Effective Date, to Merck as follows:

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10.2.1. **Non-Infringement of Mersana Patent Rights or Mersana Platform Patent Rights by Third Parties**. To Mersana's knowledge, there are no activities by Third Parties that would constitute infringement of the Mersana Patent Rights or Mersana Platform Patent Rights within the Territory.

10.2.2. **Ownership**. Mersana Controls the Mersana Technology and Mersana Platform Technology free and clear of all liens (excluding licenses that do not conflict with the rights granted to Merck hereunder).

10.2.3. **Validity and Enforceability**. Mersana has complied in all material respects with all Applicable Laws with respect to the filing, prosecution and maintenance of those Mersana Patent Rights and Mersana Platform Patent Rights owned by Mersana or otherwise of which Mersana has control of such filing, prosecution and maintenance (the "**Mersana Prosecution Patent Rights**") and, to Mersana's knowledge, the filing, prosecution and maintenance of all other Mersana Patent Rights and Mersana Platform Patent Rights has been in compliance in all material respects with all Applicable Laws with respect thereto. Mersana has paid all maintenance and annuity fees with respect to the Mersana Prosecution Patent Rights due and, to Mersana's knowledge, all maintenance and annuity fees with respect to all other Mersana Patent Rights and Mersana Platform Patent Rights have been paid when due. No dispute regarding inventorship has been alleged or threatened with respect to the Mersana Prosecution Patent Rights or, to Mersana's knowledge, with respect to any other Mersana Patent Rights or Mersana Platform Patent Rights.

10.2.4. **No Action or Claim**. There (a) are no actual, pending or, to Mersana's knowledge, alleged or threatened, adverse actions, suits, claims, interferences, re-examinations, oppositions, inventorship challenges or formal governmental investigations involving the Mersana Technology or Mersana Platform Technology by or against Mersana or any of its Affiliates, in each case that are in or before any Governmental Authority, and (b) are no actual, pending or, to Mersana's knowledge, alleged or threatened, adverse actions, suits, claims, interferences, re-examinations, oppositions, inventorship challenges or formal governmental investigations involving the Mersana Technology or Mersana Platform Technology, in each case that are in or before any Governmental Authority, which if adversely determined would have a material effect upon the ability of Mersana to use or provide the Mersana Technology or Mersana Platform Technology in connection with the activities to be conducted hereunder, or to fulfill its obligations pursuant to the terms of this Agreement.

10.2.5. **Completeness**. Schedule 1.1.78 includes a complete and correct list, in all material respects, of all Mersana Patent Rights, and Schedule 1.1.80 includes a complete and correct list, in all material respects, of all Mersana Platform Patent Rights.

10.2.6. **Mersana In-Licenses**. Schedule 1.1.94 sets forth a true and complete list of all Original Mersana In-Licenses. Mersana has, prior to the Effective Date, provided Merck with access to true and complete copies of each of the agreements listed in Schedule 1.1.94 and any prior agreements where surviving obligations restrict or have an adverse material impact on either Party with respect to the Mersana Technology or Mersana Platform Technology. As of the Effective Date, (a) the licenses in the Original Mersana In-Licenses are sublicensable; (b) the Original Mersana In-Licenses are in full force and effect, have been duly maintained and have

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not been cancelled, expired or abandoned; (c) Mersana is not aware of any challenges to or violation of the rights granted thereunder by any Third Party; (d) Mersana is not in breach under any of the Original Mersana In-Licenses, nor, to Mersana's knowledge, is any counterparty thereto; and (e) Mersana has not received any notice of breach under any of the Original Mersana In-Licenses.

10.2.7. **Manufacturing Agreements**. There are no exclusivity provisions or any other restrictions in any agreement between Mersana or its Affiliates, on the one hand, and any Third Party manufacturer of the ADCs (including any intermediate or component thereof), on the other hand, that would limit Merck's ability to have the ADCs or Licensed Product (including any intermediate or component thereof) Manufactured.

10.2.8. **Compliance with Applicable Law**. The Development of Mersana Technology and the Mersana Platform Technology has been conducted by Mersana and its Affiliates and its and their subcontractors, in compliance with all Applicable Law in all material respects. Neither Mersana nor any of its Affiliates, nor any of their respective officers, employees or agents, has made an untrue statement of a material fact or fraudulent statement to any Regulatory Authority or failed to disclose a material fact required to be disclosed to any Regulatory Authority.

10.3. **Additional Covenants of Mersana**.

10.3.1. **Derogation of Rights**. Mersana will not enter into any agreement with respect to or otherwise assign, transfer, license, convey or otherwise encumbered its right, title or interest in or to (a) the Mersana Technology, Mersana Platform Technology or Mersana Regulatory Documentation (including by granting any covenant not to sue with respect thereto) or (b) any Patent Right or other intellectual property or proprietary right that would be Mersana Technology, Mersana Platform Technology or Mersana Regulatory Documentation, but for such assignment, transfer, license, conveyance or encumbrance, in each case of (a) and (b), that is inconsistent with or would otherwise diminish the rights and licenses granted to Merck under this Agreement. Mersana will maintain and perform its obligations under the Original Mersana In-Licenses and maintain such Original Mersana In-Licenses in full force and effect during the Term and will not amend any Original Mersana In-Licenses in a manner that adversely affects Merck's rights hereunder, without having first obtained Merck's express prior written consent. Furthermore, Mersana will maintain and perform its obligations under the Future Mersana In-Licenses as applicable and maintain such Future Mersana In-Licenses in full force and effect during the Term and will not amend any Future Mersana In-Licenses in a manner that adversely affects Merck's rights hereunder, without having first obtained Merck's express prior written consent.

10.3.2. **Conformance of Materials**. All ADC Materials and Study Materials provided by or on behalf of Mersana hereunder will be Manufactured in conformance with Applicable Law and this Agreement.

10.4. **Performance by Affiliates**. The Parties recognize that each may perform some or all of its obligations under this Agreement through Affiliates; ***provided***, that each Party will remain responsible and be a guarantor of the performance by its Affiliates and will cause its

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Affiliates to comply with the provisions of this Agreement in connection with such performance.

10.5. **DISCLAIMER OF WARRANTIES**. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH HEREIN, NEITHER PARTY MAKES ANY REPRESENTATIONS OR GRANTS ANY WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE AND EACH PARTY SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OR ANY WARRANTY AS TO THE VALIDITY OF ANY PATENT RIGHTS OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

11. **Term and Termination**.

11.1. **Term**. Unless earlier terminated pursuant to this Section 11, the term of this Agreement (the "**Term**") will commence on the Effective Date and will remain in full force and effect until (a) the expiration of all Research Program Terms, if Merck has not elected to make a Pre-Clinical Development Candidate Designation with respect to an ADC or Licensed Product for any Research Program, or (b) the date of expiration of the last to expire Royalty Term, if Merck elects to make a Pre-Clinical Development Candidate Designation with respect to an ADC or Licensed Product for any Research Program.

11.2. **Termination by Merck**. Merck will have the right, at any time, to terminate this Agreement in its entirety, or with respect to an Exclusive License only, by providing not less than sixty (60) days' prior written notice to Mersana of such termination. Any such termination of an Exclusive License will not affect the continuation of any other Exclusive License or this Agreement.

11.3. **Termination for Cause**. Either Party may (but is not required to and without limitation of any other right or remedy such Party may have) terminate this Agreement for material breach by the other Party (the "**Breaching Party**") of this Agreement if the Breaching Party has not cured such breach within [***] days after notice from the non-Breaching Party thereof (such period, the "**Notice Period**") specifying the breach and such non-Breaching Party's claim of right to terminate this Agreement, other than (a) with respect to a breach of a payment obligation, in which case the Notice Period will be [***] days, and (b) with respect to a breach that cannot be cured within the Notice Period and the Breaching Party commences actions to cure such breach within the Notice Period, in which case the Notice Period will be tolled (i.e., suspended) (provided, that the Breaching Party thereafter diligently continues such actions); ***provided***, that if either Party initiates a dispute resolution procedure under Section 13.6 as permitted under this Agreement to resolve the dispute for which termination is being sought within [***] days following the end of the Notice Period and is diligently pursuing such procedure, the Notice Period will be tolled (i.e., suspended) and the termination will become effective only if such breach remains uncured for [***] days after the final resolution of the dispute through such dispute resolution procedure, including pursuant to Section 13.6.4 (or, if the breach cannot be cured within such [***] day period, if the Breaching Party commences actions to cure such breach within such period and thereafter diligently continues such actions).

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11.4. License Survival Upon Insolvency. All licenses (and to the extent applicable, rights) granted under or pursuant to this Agreement are, and will otherwise be deemed to be, for purposes of Section 365(n) of 11 U.S.C. Section 101, et. seq. ("**Bankruptcy Code**"), licenses of rights to "intellectual property" as defined under the Paragraph 101(35A) of the Bankruptcy Code. The Parties agree that the non-bankrupt Party will retain and may fully exercise all of its rights and elections under Applicable Law. The Parties further agree that, in the event of the commencement of bankruptcy proceeding by or against a bankrupt Party, the other Party will be entitled to a complete duplicate of (or complete access to, as appropriate) any intellectual property which at that date is known to be useful or necessary for a Research Program or the Exploitation of ADCs or Licensed Products throughout the Territory and all embodiments of such intellectual property; and the same, if not already in the other Party's possession, will be promptly delivered to the other Party (a) upon any such commencement of a bankruptcy proceeding, upon the other Party's written request therefor (which request must identify the specific intellectual property), unless the bankrupt Party (or trustee on behalf of the bankrupt Party) elects within [***] days to continue to perform all of its obligations under this Agreement or (b) if not delivered under (a) above, upon rejection of this Agreement by or on behalf of the bankrupt Party, upon written request therefore by the other Party.

11.5. Effect of Expiration and Termination.

11.5.1. General Effects. Except where explicitly provided within this Agreement, expiration or termination of this Agreement or any Exclusive License, as applicable, for any reason, will not affect any obligations, including payment of any royalties or other sums which have accrued as of the date of termination or expiration. Notwithstanding the foregoing, but subject to Section 11.5.2.2(b) and Section 11.5.4, upon expiration or termination of this Agreement in its entirety, all licenses granted by either Party to the other Party hereunder, including all Exclusive Licenses, and all sublicenses granted by either Party thereunder, will immediately terminate; ***provided***, that in the event of a termination with respect to one Exclusive License, only such Exclusive License will terminate.

11.5.2. Effect of Termination by Merck for Convenience or by Mersana for Cause.

11.5.2.1. If Merck terminates this Agreement in its entirety pursuant to Section 11.2 or Mersana terminates this Agreement in its entirety pursuant to Section 11.3, all Exclusive Licenses granted by Mersana to Merck (and then in effect) will automatically be terminated and Merck will immediately cease Commercialization of any Licensed Product in the Territory for which, and for so long as, there remains any Valid Patent Claim of any Mersana Patent Right, or Mersana Platform Patent Right covering or claiming the Exploitation of such Licensed Product.

11.5.2.2. If Merck terminates an Exclusive License pursuant to Section 11.2 with respect to a Licensed Product or Mersana terminates an Exclusive License pursuant to Section 11.3, all Exclusive Licenses granted by Mersana to Merck (and then in effect) with respect to such Licensed Product will automatically be terminated and Merck will immediately cease Commercialization of such Licensed Product in the Territory if, and for so

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long as, there remains any Valid Patent Claim of any Mersana Patent Right, or Mersana Platform Patent Right covering or claiming the Exploitation of such Licensed Product.

11.5.3. Effect of Termination Right by Merck for Cause.

11.5.3.1. In the event that Merck is entitled to terminate this Agreement in its entirety pursuant to Section 11.3 due to a material breach by Mersana, Merck may elect instead to maintain this Agreement in effect, except that Merck's obligations to make payments to Mersana pursuant to Section 6.3, Section 6.4 and Section 6.5 [***]; **provided** that [***].

11.5.3.2. If Merck terminates this Agreement in its entirety pursuant to Section 11.3 for an uncured and material breach of Mersana's obligation set forth in [***], Merck's sole and exclusive remedy shall be for Mersana to pay Merck [***].

11.5.4. License to Merck Upon Royalty Term Expiration. Upon the date of expiration of each Royalty Term with respect to a Licensed Product in a country, the Exclusive License granted with respect to such Licensed Product in such country will automatically be converted into a royalty-free, fully-paid, perpetual, worldwide, nonexclusive, freely transferable and sublicensable license to use the Mersana Technology and Mersana Platform Technology to Exploit such Licensed Product, with no further obligation to Mersana.

11.5.5. Survival. The following provisions will survive expiration or termination of this Agreement: Section 1 (Definitions), Section 2.2.2 (Restrictions on use of Materials), Section 6.8 (Late Payments), Section 6.10 (Royalty Reports and Accounting), Section 7 (Confidentiality), Section 8.2 (Ownership of Intellectual Property), Section 8.3.5 (Joint Patent Rights), Section 10.5 (Disclaimer of Warranties**)**, Section 11.4 (License Survival Upon Insolvency), Section 11.5 (Effect of Expiration and Termination), Section 12 (Indemnity; Limitation of Liability; Insurance), and Section 13 (Miscellaneous).

12. Indemnity; Limitation of Liability; Insurance.

12.1. Indemnity.

12.1.1. Mersana Indemnity. Mersana will defend, indemnify and hold harmless Merck, its Affiliates and its and their respective directors, officers, employees and agents from and against all liabilities, losses, damages, and expenses, including reasonable attorneys' fees and costs, (each, a "**Liability**") resulting from all Third Party claims, suits, actions, terminations or demands (each, a "**Claim**") to the extent such Claims are incurred, relate to, are in connection with or arise out of (a) the breach or non-fulfillment of this Agreement by Mersana, or (b) the negligence, recklessness or willful misconduct of Mersana in connection with the performance of its obligations hereunder, except in each case, to the extent such Liabilities resulted from any action for which Merck must indemnify Mersana under Section 12.1.2.

12.1.2. Merck Indemnity. Merck will defend, indemnify and hold harmless Mersana, its Affiliates and its and their respective directors, officers, employees and agents from and against all Liabilities resulting from all Claims to the extent such Claims are incurred, relate

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to or arise out of (a) the breach or non-fulfillment of this Agreement by Merck, (b) the negligence, recklessness or willful misconduct of Merck in connection with the performance of its obligations hereunder, or (c) the Exploitation of Licensed Products by Merck, its Affiliates or Sublicensees, except, in each case, to the extent such Liabilities resulted from any action for which Mersana must indemnify Merck under Section 12.1.1.

12.2. **Procedure**. A Party (the "**Indemnitee**") that intends to claim indemnification under this Section 12.2 will promptly provide notice to the other Party (the "**Indemnitor**") of any Claim in respect of which the Indemnitee intends to claim such indemnification, which notice will include a reasonable identification of the alleged facts giving rise to such Liability, and the Indemnitor will have the right to participate in, and, to the extent the Indemnitor so desires, jointly with any other Indemnitor similarly noticed, to control the defense thereof with counsel selected by the Indemnitor. However, notwithstanding the foregoing, the Indemnitee will have the right to participate in, but not control, the defense of any Claim, and request separate counsel, with the fees and expenses to be paid by the Indemnitee, unless (a) representation of such Indemnitee by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between such Indemnitee and any other Party represented by such counsel in such proceedings or (b) the Indemnitor has failed to assume the defense of the applicable Claim, in which case ((a) or (b)), such fees and expenses will be paid by the Indemnitor. The Indemnitee will, and will cause each of its Affiliates and its and their respective directors, officers, employees and agents, as applicable, to, cooperate in the defense or prosecution thereof and will furnish such records, information and testimony, provide such witnesses and attend such conferences, discovery proceedings, hearings, trials and appeals and otherwise provide reasonable access to such Indemnitor and employees and agents of the Indemnitor, in each case as may be reasonably requested in connection therewith; ***provided***, that the Indemnitor will reimburse the Indemnitee for its reasonable and verifiable out-of-pocket expenses in connection therewith. The Indemnitor may not settle any Claim, and the Indemnitee will not be responsible for or be bound by any settlement of a Claim that imposes an obligation on it, without the prior written consent of the Indemnitee, which consent will not be unreasonably withheld, conditioned or delayed.

12.3. **Limitation of Liability**. EXCEPT (A) IN THE EVENT OF THE WILLFUL MISCONDUCT OR FRAUD OF A PARTY OR A PARTY'S BREACH OF ITS OBLIGATIONS UNDER SECTION 7, (B) AS PROVIDED UNDER SECTION 13.12 AND (C) TO THE EXTENT ANY SUCH DAMAGES ARE REQUIRED TO BE PAID TO A THIRD PARTY AS PART OF A CLAIM FOR WHICH A PARTY PROVIDES INDEMNIFICATION UNDER THIS SECTION 12, NEITHER PARTY NOR ANY OF ITS AFFILIATES OR SUBLICENSEES WILL BE LIABLE IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY DUTY OR OTHERWISE FOR ANY SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR LOST PROFITS SUFFERED BY THE OTHER PARTY AND REGARDLESS OF ANY PRIOR NOTICE OF SUCH DAMAGES.

12.4. **Insurance**. During the Term, each Party shall obtain and maintain, at its sole cost and expense, product liability insurance (including any self-insured arrangements) in amounts, that are reasonable and customary in the pharmaceutical and biotechnology industry for

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companies engaged in comparable activities in their respective jurisdiction. It is understood and agreed that this insurance shall not be construed to limit either Party's liability with respect to its indemnification obligations hereunder. Each Party will, except to the extent self insured, provide to the other Party upon request a certificate evidencing the insurance such Party is required to obtain and keep in force under this Section 12.4.

13. **Miscellaneous**.

13.1. **Force Majeure**. No Party (or any of its Affiliates) will be held liable or responsible to the other Party (or any of its Affiliates) hereunder, or be deemed to have defaulted under or breached this Agreement, for failure or delay by such Party in fulfilling or performing any term of this Agreement when such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party (or any of its Affiliates), including fire, floods, embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, acts of God, earthquakes, or omissions or delays in acting by any Governmental Authority (each, an "**Event of Force Majeure**"); ***provided***, that the affected Party will exert all reasonable efforts to eliminate, cure or overcome any such Event of Force Majeure and to resume performance of its obligations promptly. Notwithstanding the foregoing, to the extent that an Event of Force Majeure continues for a period in excess of [***] months, the affected Party will promptly notify in writing the other Party of such Event of Force Majeure and within [***] months of the other Party's receipt of such notice, the Parties will negotiate in good faith either (a) a resolution of the Event of Force Majeure, if possible, (b) an extension by mutual agreement of the time period to resolve, eliminate, cure or overcome such Event of Force Majeure, (c) an amendment of this Agreement to the extent reasonably possible, or (d) an early termination of this Agreement.

13.2. **Assignment**. This Agreement may not be assigned or otherwise transferred, nor, except as expressly provided hereunder, may any right or obligations hereunder be assigned or transferred to any Third Party by either Party without the consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, either Party may, without such consent but with notification and subject to the terms and conditions of this Section 13.2, assign this Agreement and its rights and obligations hereunder to any of its Affiliates or (a) in connection with a Change in Control of such Party or (b) to any successor in interest (whether by merger, acquisition, asset purchase or otherwise) to all or substantially all of such Party's business to which this Agreement relates. Any permitted assignee will assume all rights and obligations of its assignor under this Agreement. Any attempted assignment of this Agreement not in accordance with this Section 13.2 will be void and of no effect.

13.3. **Severability**. Should one or more provisions of this Agreement be or become invalid, the Parties will substitute, by mutual consent, valid provisions for such invalid provisions, which in their economic effect, are sufficiently similar to the invalid provisions that it can be reasonably assumed that the Parties would have entered into this Agreement based on such valid provisions. In case such alternative provisions cannot be agreed upon, the invalidity of one or

several provisions of this Agreement will not affect the validity of this Agreement as a whole, unless the invalid provisions are of such essential importance to this Agreement that it is to be reasonably assumed that the Parties would not have entered into this Agreement without

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the invalid provisions.

13.4. **Notices**. Any consent, notice or report required or permitted to be given or made under this Agreement by one Party to the other Party will be in writing, delivered personally or by facsimile (and promptly confirmed by personal delivery, first class air mail or courier), first class air mail or courier, postage prepaid (where applicable), addressed to such other Party at its address indicated below, or to such other address as the addressee will have last furnished in writing to the addresser in accordance with this Section 13.4 and (except as otherwise provided in this Agreement) will be effective upon receipt by the addressee. This Section 13.4 is not intended to govern the day-to-day business communications necessary between the Parties in performing their obligations under the terms of this Agreement.

If to Mersana:

Mersana Therapeutics, Inc.
840 Memorial Drive
Cambridge, MA 02139
Attention: Legal Department
Telephone: (617) 498-0020
Fax: (617) 498-0109

If to Merck:
Merck KGaA
Frankfurter Strasse 250
64293 Darmstadt
Germany
Attn.: Alliance Management
Facsimile: +49 6151 72 91 9885

In case of legal notifications with a copy to

Merck KGaA
Frankfurter Strasse 250
64293 Darmstadt
Germany

Attention: Legal Department
Facsimile: +49 61 51 72 23 73

13.5. **Applicable Law; Jurisdiction**.

13.5.1. **Applicable Law**. Subject to Section 8.2.4, this Agreement will be governed by and construed in accordance with the laws of England and Wales, without regard to the conflict of law principles thereof that may dictate application of the laws of any other jurisdiction.

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13.5.2. **Jurisdiction**. The Parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction over any disputes between the Parties for which relief is sought under this Agreement and each of the Parties hereto irrevocably: (a) submits to such exclusive jurisdiction for such purpose; (b) waives any objection which it may have at any time to the laying of venue of any proceedings brought in such courts; (c) waives any claim that such proceedings have been brought in an inconvenient forum and (d) further waives the right to object with respect to such proceedings that any such court does not have jurisdiction over such Party. Notwithstanding anything in this Section 13.5.2 or elsewhere in this Agreement to the contrary, any dispute, controversy or claim relating to the scope, validity, enforceability or infringement of any Patent Rights shall be submitted to a court of competent jurisdiction in the country or region in which such Patent Rights were granted or arose.

13.6. **Dispute Resolution**. The Parties agree that if any dispute or disagreement arises between Merck on the one hand and Mersana on the other in respect of this Agreement, subject to Section 13.12, they will follow the following procedure in an attempt to resolve the dispute or disagreement.

13.6.1. The Party claiming that such a dispute exists will give notice in writing ("**Notice of Dispute**") to the other Party of the nature of the dispute.

13.6.2. Within [***] Business Days following receipt of a Notice of Dispute, a nominee or nominees of Merck and a nominee or nominees of Mersana will meet in person at a mutually agreed upon time and location and exchange written summaries reflecting, in reasonable detail, the nature and

extent of the dispute, and at this meeting they will use their reasonable endeavors to resolve the dispute.

13.6.3. If, within a further period of [***] Business Days, the dispute has not been resolved, the Chief Executive Officer (or equivalent) of Mersana and the Chief Executive Officer of Merck Serono (or equivalent) of Merck will meet at a mutually agreed upon time and location for the purpose of resolving such dispute.

13.6.4. In the event of an unresolved dispute between the Parties, such dispute will, at either Party's election and subject to Section 13.5.1, be submitted for resolution by a court of competent jurisdiction.

13.6.5. In the event of a dispute regarding any payments owing under this Agreement, all undisputed amounts will be paid promptly when due and the balance, if any, promptly after resolution of the dispute.

13.7. **Entire Agreement**. This Agreement contains the entire understanding of the Parties with respect to the specific subject matter hereof. All express or implied agreements and understandings, either oral or written, heretofore made with respect to the specific subject matter hereof are expressly superseded by this Agreement, including confidentiality agreements between the Parties and any of their Affiliates, which are hereby terminated effective as of the Effective Date; ***provided***, that such agreements will continue to govern the treatment of information disclosed by the Parties prior to the Effective Date in accordance with their respective terms. This Agreement may be amended, or any term hereof modified, only by a

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written instrument duly executed by both Parties.

13.8. **Independent Contractors**. Mersana and Merck each acknowledge that they are independent contractors and that the relationship between the Parties will not constitute a partnership, joint venture, agency or any type of fiduciary relationship. Neither Mersana nor Merck will have the authority to make any statements, representations or commitments of any kind, or to take any action, which will be binding on the other Party, without the prior written consent of the other Party to do so.

13.9. **Waiver and Non-Exclusion of Remedies**. The waiver by either Party of any right hereunder or the failure to perform or of a breach by the other Party will not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by Applicable Law or otherwise available, except as expressly set forth herein.

13.10. **Further Assurances**. Each Party will execute such additional documents as are necessary to effect the purposes of this Agreement.

13.11. **No Third Party Rights**. Except as provided in Section 12, a person who is not a party to this Agreement may not enforce or enjoy the benefit of any term of this Agreement under the Contracts (Rights of Third Parties) Act 1999. Notwithstanding any term of this Agreement, no consent of any Third Party is required for any variation, amendment or waiver (including any release or compromise of any liability) or termination of this Agreement.

13.12. **Equitable Relief**. Nothing contained in this Agreement will deny any Party the right to seek injunctive or other equitable relief from a court of competent jurisdiction in the context of prospective irreparable harm.

13.13. **Counterparts**. 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. Counterparts may be signed or delivered by facsimile or electronically scanned signature page.

(The remainder of this page has been intentionally left blank. The signature page follows.)

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

MERSANA THERAPEUTICS, INC.

By: /s/ Eva Jack

Name: Eva Jack

Title: Chief Business Officer

MERCK KGaA

By: /s/ Susan Herbert

Name: ppa. Susan Herbert

Title: Executive Vice President Global Business Development

By: /s/ i.V. Dr. Simone Heitz

Name: i.V. Dr. Simone Heitz

Title: Associate General Counsel

Signature Page to Collaboration and Commercial License Agreement

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

SCHEDULE 1.1.76(a)

MERSANA CYTOTOXIC COMPOUNDS

[***]

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SCHEDULE 1.1.76(b)

TUBE Toxins(1)

[***]

(1) [***].

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

SCHEDULE 1.1.78

MERSANA PATENT RIGHTS
as of the Effective Date

[***].

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SCHEDULE 1.1.80

MERSANA PLATFORM PATENT RIGHTS
as of the Effective Date

In-Licensed Mersana Platform Patent Rights

Row	Title	Inventor(s)	Assignee	Patent No.	Serial No	Priority	Filing Date	Issue Date	Status
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]

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

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Row	Title	Inventor(s)	Assignee	Patent No.	Serial No	Priority	Filing Date	Issue Date	Status
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Row	Title	Inventor(s)	Assignee	Patent No.	Serial No	Priority	Filing Date	Issue Date	Status
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
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Mersana Platform Patent Rights owned by Mersana

Row	Title	Inventors	Patent No	Serial No	Priority	Filing Date	Issue Date	Status
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
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[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
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[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
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[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
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SCHEDULE 1.1.94

ORIGINAL MERSANA IN-LICENSES

- License Agreement between Mersana Therapeutics, Inc. and TUBE Pharmaceuticals GmbH dated September 22, 2011, as amended on December 21, 2012 (the "**TUBE Agreement**")(2)

- Second Restated and Amended License Agreement between Mersana Therapeutics, Inc. and The General Hospital Corporation dated October 19, 2005, as amended on July 27, 2012, and on September 19, 2012 (the "**MGH Agreement**")(3)

(2) [***].
(3) [***].

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SCHEDULE 2.2.3

[***]

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

SCHEDULE 2.4.1

DESIGNATED TARGETS

#	Target	Definition	OMIM	SwissProt
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]

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SCHEDULE 7.3

PRESS RELEASE

DRAFT-NOT FOR RELEASE

Mersana and Merck KGaA of Darmstadt, Germany to Develop Next-Generation Antibody-Drug Conjugates

- Collaboration and license agreement allows the biopharmaceutical division of Merck KGaA, Darmstadt, Germany, to expand its oncology drug portfolio
- Mersana Therapeutics' Fleximer® technology to be leveraged to create multiple antibody-drug conjugates

Cambridge, Mass., June 24, 2014 — Mersana Therapeutics, Inc., and the biopharmaceutical division of Merck KGaA, Darmstadt, Germany, which operates as EMD Serono in the United States and Canada, announced today an agreement to collaboratively develop next-generation antibody-drug conjugates (ADCs). ADCs are composed of an antibody linked to cytotoxic drugs, whereby the antibody specifically targets and delivers the cytotoxic drug to cancer cells, which could lead to higher drug levels at the tumor site.

Mersana and the biopharmaceutical division of Merck KGaA will leverage Mersana's Fleximer® technology to generate ADCs for multiple undisclosed targets. Both parties have agreed to test a variety of ADCs by utilizing Mersana's platform technologies, and several cytotoxic agents as conjugates.

"This new collaboration provides an exciting opportunity to expand our oncology drug discovery and development portfolio into the evolving ADC space," said Dr. Andree Blaukat, head of the Translational Innovation Platform Oncology at Merck Serono, the biopharmaceutical division of Merck KGaA, Darmstadt, Germany. "We have a long standing commitment to improving oncology care, and we aim to deliver the best benefit possible to patients. Partnering with Mersana allows us to incorporate cutting edge research and technical excellence to enrich our pipeline."

"We look forward to working with Merck in Darmstadt, Germany, to apply our proprietary platform technologies to rapidly develop and demonstrate preclinical proof-of-concept of several customized, novel Fleximer-ADC candidates," said Timothy B. Lowinger, Ph.D., Mersana's Chief Scientific Officer.

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Under the agreement, Merck KGaA will provide monoclonal antibodies to Mersana who will generate the Fleximer-ADCs and conduct drug discovery and preclinical development activities. Merck KGaA will be responsible for clinical development and commercialization of any products under an exclusive license from Mersana. In addition to an upfront payment, Mersana is eligible to receive milestones plus royalties on worldwide net sales of products.

About Fleximer® Antibody-Drug Conjugate Technology

Mersana's next-generation Fleximer® antibody-drug conjugate (ADC) technology is based on the Company's proprietary biodegradable polymer system, known as Fleximer, and a wide variety of linkers that allow for the attachment of an extensive range of anti-tumor payloads to Fleximer. As an example, once loaded with drug(s), Fleximer is then attached through a stable linker that is different from the drug linker(s) to the antibody or antibody alternative to create a Fleximer-ADC.

Mersana's novel linker systems are designed to be stable in the blood stream and to release the potent payloads once inside the targeted cancer cell. Mersana's Fleximer-ADC technology provides several key advantages over currently available approaches, including: the ability to deliver diverse payloads; the opportunity to significantly increase drug loading per antibody; and the potential use with antibody fragments and alternative targeting moieties, in addition to monoclonal antibodies. Mersana's proprietary payload platforms include Dolaflexin™, an auristatin derivative; Vindeflexin™, a vindesine derivative; and Cytoflexin™, a tubulysin derivative.

About Mersana Therapeutics

Mersana Therapeutics engineers antibody drug conjugates (ADCs) that maximize the potential of new and established therapeutic classes. Mersana is developing, with select pharmaceutical partners, a portfolio of next-generation Fleximer® ADCs with superior properties not found with current ADC technologies, . The company is also advancing its own pipeline of Fleximer-ADCs with best-in-class potential to address unmet needs and improve patient outcomes in multiple oncology indications. www.mersana.com

About EMD Serono, Inc.

EMD Serono, Inc., a subsidiary of Merck KGaA, Darmstadt, Germany, is a leader in the US biopharmaceutical arena, integrating cutting-edge science with unparalleled patient support systems to improve people's lives. The company has strong market positions in neurodegenerative diseases, endocrinology and in reproductive health. In addition, EMD Serono is growing its expertise and presence in the area of oncology, with more than 15 projects currently in development. With a clear focus on the patient and a leadership presence in the biopharmaceutical industry, EMD Serono's US footprint continues to grow, with approximately 1,000 employees around the country and fully integrated commercial, clinical and research operations in the company's home state of Massachusetts.

For more information, please visit www.emdserono.com.

About Merck KGaA, Darmstadt, Germany

Merck KGaA of Darmstadt, Germany, is a leading company for innovative and top-quality high-tech products in the pharmaceutical and chemical sectors. Its subsidiaries in Canada and the United States operate under the umbrella brand EMD. Around 38,000 employees work in 66 countries to improve the quality of life for patients, to further the success of customers and to

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help meet global challenges. The company generated total revenues of €11.1 billion in 2013 with its four divisions: Biopharmaceuticals, Consumer Health, Performance Materials and Life Science Tools. Merck KGaA of Darmstadt, Germany is the world's oldest pharmaceutical and chemical company — since 1668, the name has stood for innovation, business success and responsible entrepreneurship. Holding an approximately 70 percent interest, the founding family remains the majority owner of the company to this day.

Media Contacts

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+1 781 235 3060

For Merck KGaA:

Dr. Andrea Marquart
+49 6151 72-6517

# # #

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Your Contact
Dr. Andrea Marquart
Phone +49 6151 72-6517

News Release

June 24, 2014

Merck Serono and Mersana to Develop Next-Generation Antibody-Drug Conjugates

- **Collaboration and license agreement allows Merck Serono to expand its oncology drug portfolio**
- **Mersana Therapeutics' Fleximer technology to be leveraged to create multiple antibody-drug conjugates**

Darmstadt, Germany, June 24, 2014 — Merck Serono, the biopharmaceutical division of Merck, and Mersana Therapeutics, Inc., Cambridge, Mass., U.S., announced today an agreement to collaboratively develop next-generation antibody-drug conjugates (ADCs). ADCs are composed of an antibody linked to

cytotoxic drugs, whereby the antibody part specifically targets and delivers the cytotoxic drug to cancer cells which could lead to higher drug levels at the tumor site.

Mersana and Merck Serono will leverage Mersana's Fleximer® technology to generate ADCs for multiple undisclosed targets. Both parties have agreed to test a variety of ADCs by utilizing Mersana's platform technologies, and several cytotoxic agents as conjugates. This agreement further underlines Merck Serono's approach to employ a collaborative research and development model, creating strategic partnerships to drive innovation, being consciously agnostic of the source of potential novel assets, and technologies.

"This new collaboration provides an exciting opportunity to expand our oncology drug discovery and development portfolio into the evolving ADC space," said Dr. Andree Blaukat, head of the Translational Innovation Platform Oncology at Merck Serono. "At Merck Serono, we have a long standing commitment to improving oncology care, and we aim to deliver the best benefit possible to patients. Partnering with Mersana allows us to incorporate cutting edge research and technical excellence to enrich our pipeline."

"We look forward to working with Merck Serono to apply our proprietary platform technologies to rapidly develop and demonstrate preclinical proof-of-concept of several customized, novel Fleximer-ADC candidates," said Timothy B. Lowinger, Ph.D., Mersana's Chief Scientific Officer.

Under the agreement, Merck Serono will provide monoclonal antibodies to Mersana who will generate the Fleximer-ADCs and conduct drug discovery and preclinical development activities.

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Merck Serono will be responsible for clinical development and commercialization of any products under an exclusive license from Mersana. In addition to an upfront payment, Mersana is eligible to receive milestones plus royalties on worldwide net sales of products. Further financial details are not being disclosed.

About Fleximer Antibody-Drug Conjugate Technology

Mersana's next-generation Fleximer® antibody-drug conjugate (ADC) technology is based on the Company's proprietary biodegradable polymer system, known as Fleximer, and a wide variety of linkers that allow for the attachment of an extensive range of anti-tumor payloads to Fleximer. As an example, once loaded with drug(s), Fleximer is then attached through a stable linker that is different from the drug linker(s), to an antibody or antibody alternative to create a Fleximer-ADC.

Mersana's novel linker systems are designed to be stable in the blood stream and to release the potent payloads once inside the targeted cancer cell. Mersana's Fleximer-ADC technology provides several key advantages over currently available approaches, including: the ability to deliver diverse payloads; the opportunity to significantly increase drug loading per antibody; and the potential use with antibody fragments and alternative targeting moieties in addition to monoclonal antibodies. Mersana's proprietary payload platforms include Dolaflexin™, an auristatin derivative; Vindeflexin™, a vindesine derivative; and Cytoflexin™, a tubulysin derivative.

About Mersana Therapeutics

Mersana Therapeutics engineers antibody drug conjugates (ADCs) that maximize the potential of new and established therapeutic classes. Mersana is developing, with select pharmaceutical partners, a portfolio of next-generation Fleximer® ADC) with superior properties not found with current ADC technologies. The company is also advancing its own pipeline of Fleximer-ADCs with best-in-class potential to address unmet needs and improve patient outcomes in multiple oncology indications. www.mersana.com

About Merck Serono

Merck Serono is the biopharmaceutical division of Merck. With headquarters in Darmstadt, Germany, Merck Serono offers leading brands in 150 countries to help patients with cancer, multiple sclerosis, infertility, endocrine and metabolic disorders as well as cardiovascular diseases. In the United States and Canada, EMD Serono operates as a separately incorporated subsidiary of Merck Serono.

Merck Serono discovers, develops, manufactures and markets prescription medicines of both chemical and biological origin in specialist indications. We have an enduring commitment to deliver novel therapies in our core focus areas of neurology, oncology, immuno-oncology and immunology.

For more information, please visit www.merckserono.com.

All Merck Press Releases are distributed by e-mail at the same time they become available on the Merck Website. Please go to www.merckgroup.com/subscribe to register online, change your selection or discontinue this service.

Merck is a leading company for innovative and top-quality high-tech products in the pharmaceutical and chemical sectors. With its four divisions Merck Serono, Consumer Health, Performance Materials and Merck Millipore, Merck generated total revenues of € 11.1 billion in 2013. Around 38,000 Merck employees work in 66 countries to improve the quality of life for patients, to further the success of customers and to help meet global challenges. Merck is the world's oldest pharmaceutical and chemical company — since 1668, the company has stood for innovation, business success and responsible entrepreneurship. Holding an approximately 70 percent interest, the founding family remains the majority owner of the company to this day. Merck, Darmstadt, Germany is holding the global rights to the Merck name and brand. The only exceptions are Canada and the United States, where the company is known as EMD.

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EXHIBIT 1.1.98

PERFORMANCE SPECIFICATIONS

Parameter	Analysis	Methods
[***]	[***] [***] [***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

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CONFIDENTIAL

AMENDMENT 1
TO
COLLABORATION AND COMMERCIAL LICENSE AGREEMENT

This Amendment 1 to Collaboration and Commercial License Agreement ("**Amendment**") is entered into as of the 1st day of June, 2016 (the "**Amendment Effective Date**") by and between Mersana Therapeutics, Inc., a Delaware corporation, having its principal place of business at 840 Memorial Drive Cambridge, MA 02139 (hereinafter referred to as "**Mersana**") and Merck KGaA, a corporation with general partners having its principal place of business at Frankfurter Str. 250, 64293 Darmstadt, Germany (hereinafter referred to as "**Merck**," and together with Mersana, the "**Parties**"). This Amendment amends that certain Collaboration and Commercial License Agreement by and between Mersana and Merck dated June 23, 2014 (the "**Original Agreement**," and together with this Amendment, the "**Agreement**"). Capitalized terms used but not defined in this Amendment will have the definition set forth in the Original Agreement.

RECITALS

WHEREAS, the Parties wish to amend the Original Agreement as set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth herein, the Parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1 — AMENDMENTS

1.1 **Confidential Information**. Section 1.1.22 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

"**1.1.22.** "**Confidential Information**" of a Party, means information relating to the business, operations or products of a Party or any of its Affiliates, including any Know-How, that such Party, any of its Affiliates or any Third Party acting on its behalf discloses to the other Party or any of its Affiliates under this Agreement, or information of a Party that otherwise becomes known to the other Party by virtue of this Agreement; ***provided***, that notwithstanding anything to the contrary, (a) Confidential Information constituting Mersana Know-How, Mersana Platform Know-How or Mersana Regulatory Documentation will be Confidential Information of Mersana (and Mersana will be deemed the disclosing Party and Merck the receiving Party with respect thereto) and (b) Confidential Information constituting Merck Know-How, Product Know-How or Merck Regulatory Documentation will be Confidential Information of Merck (and Merck will be deemed the disclosing Party and Mersana the receiving Party with respect thereto)."

1.2 **Research Plans**. Section 2.2.3 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

"**2.2.3.** **Research Plans**. The Research Plan for [***] Designated Target is attached as Schedule 2.2.3-1. Subsequent Research Plans agreed upon in accordance with

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Section 2.4.2.4 or Section 2.4.1.5, as applicable, will be attached as additional sequentially numbered schedules (Schedule 2.2.3-2, Schedule 2.2.3-3, etc.)."

1.3 **Term of a Research Program**. Section 2.3 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

"**2.3.** **Term of a Research Program**. The term of the first Research Program, which covers the [***] Designated Target, will commence upon the Effective Date, and the term of each subsequent Research Program will commence upon approval of a Research Plan under Section 2.4.2.4 or Section 2.4.1.5, as applicable. Each Research Program will continue until [***] (a) [***]; (b) [***]; (c) such date as Merck notifies Mersana of Merck's election to [***]; (d) [***]; and (e) [***] (the term of a Research Program, each, a "**Research Program Term**"). If a Research Program Term ends pursuant to clause (c), (d) or (e) of this Section 2.3, then the Designated Target that is the subject of the applicable Research Program will no longer be deemed to be a Designated Target hereunder."

1.4 [***] **Designated Target**. Section 2.4.1.4 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

"**2.4.1.4.** Merck may designate a [***] Designated Target in accordance with this Section 2.4.1.4 and Section 2.4.2 at any time following the [***]. Such Designated Target that is designated in accordance with this Section 2.4.1.4 and Section 2.4.2 will be set forth on Schedule 2.4.1-5."

1.5 [***] **Designated Target**. The following new Section 2.4.1.5 is hereby inserted immediately following Section 2.4.1.4 of the Original Agreement.

"**2.4.1.5.** Merck may designate the [***] Designated Target in accordance with this Section 2.4.1.5 at any time following the [***] pursuant to Section 2.4.5.3 by delivering written notice of such designation to Mersana. Upon such designation, Merck will disclose to Mersana the identity of the [***], and the JPT will promptly meet to draft a Research Plan for the [***] and will use good faith efforts to agree on such Research Plan. Upon written agreement by the Project Leaders on a proposed Research Plan, the [***] will be deemed a Designated Target hereunder, such proposed Research Plan will be deemed to be a Research Plan hereunder, and the corresponding Research Program will commence. Such Designated Target that is designated in accordance with this Section 2.4.1.5 will be set forth on Schedule 2.4.1-6. For clarity, if Merck does not make a timely designation of a [***] under Section 2.4.5.1, it shall have no right to designate the [***] Designated Target."

1.6 **Gatekeeper Process**. Section 2.4.2 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

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"**2.4.2.** **Gatekeeper Process**.

2.4.2.1. In order to designate an Antigen as a new Designated Target under Section 2.4.1.3, Section 2.4.1.4 or Section 2.4.3 or as the [***] under Section 2.4.5.1 or Section 2.4.5.2, Merck will provide the Gatekeeper with a confidential written description of such Antigen, including to the extent available, the Name and UniProt/SwissProt number sequence for such proposed Antigen. Within [***] Business Days following Gatekeeper's receipt of such written notice with respect to a particular proposed Antigen, Mersana will ensure that Gatekeeper will notify Merck in writing whether the proposed Antigen is Available for designation as a Designated Target or the [***], as applicable. The Parties hereby acknowledge and agree that a proposed Antigen will be "**Available**" for designation by Merck as a Designated Target or the [***] Target, as applicable, unless [***].

2.4.2.2. For clarity, in the event that the Gatekeeper notifies Merck that a proposed Antigen is not Available pursuant to the procedures set forth in this Section 2.4.2, Merck will not have exhausted any of its rights to designate an Antigen as a new Designated Target or the [***] Target, as applicable, hereunder within the applicable designation time period. Should an Antigen proposed by Merck be rejected by the Gatekeeper, the applicable nomination period for such Antigen shall be automatically extended by the time consumed by the unsuccessful nomination process.

2.4.2.3. The Parties acknowledge and agree that, as of the Effective Date, the first and second Designated Targets set forth on Schedule 2.4.1-1 and Schedule 2.4.1-2 are Available, and the procedures set forth in Section 2.4 will not apply to such Designated Targets, other than with respect to replacement of such Designated Targets in accordance with Section 2.4.3.

2.4.2.4. In the event that the Gatekeeper notifies Merck that a proposed Antigen is Available for designation as a Designated Target or the [***] Target, as applicable, in accordance with Section 2.4.2, within [***] Business Days following receipt of such notice, Merck will thereafter notify the Gatekeeper if it wishes to so designate such proposed Antigen (in which case, Merck will also promptly provide notice to Mersana that it has designated an Antigen to be a Designated Target [***], as applicable). Upon such designation if such designation is for a Designated Target, Merck will disclose to Mersana the identity of the Designated Target, and the JPT will promptly meet to draft a Research Plan for such Designated Target and will use good faith efforts to agree on such Research Plan. Upon written agreement by the Project Leaders on a proposed Research Plan, such Antigen will be deemed a Designated Target hereunder (if applicable), such proposed Research Plan will be deemed to be a Research Plan hereunder, and the corresponding Research Program will commence. Upon such designation if such designation is for the [***], such Antigen will be deemed the [***] hereunder. In addition to Section 2.4.4, the Parties agree that from receiving the notification of availability of an Antigen from the Gatekeeper until its designation as a Designated Target [***], as applicable, such Antigen shall not be available for a collaboration between Mersana and a Third Party."

1.7 **Target Exclusivity**. Section 2.4.4.1 of the Original Agreement is hereby deleted in its entirety and replaced with the following.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

"**2.4.4.1.** During the Term on a Designated Target-by-Designated Target basis, Mersana will collaborate exclusively with Merck with respect to such Designated Target during the period commencing with the designation of an Antigen as a Designated Target by Merck pursuant to Section 2.4.2.4 or Section 2.4.1.5, as applicable, and ending on the earliest of (a) [***]; (b) [***]; (c) [***] (d) [***] (each such period, a "**Target Exclusivity Period**"). For purposes of this Section 2.4.4, "collaborate exclusively" means that Mersana will not, [***]. The provisions of this Section 2.4.4.1 shall not apply to any Future Acquirer or any Affiliate of any Future Acquirer other than Mersana to the extent that any activities conducted by any such Future Acquirer or any such Affiliate with respect to such Designated Target do not make use of any information or intellectual property right that is deemed Controlled by Mersana pursuant to this Agreement."

1.8 [***] **Target**. The following new Section 2.4.5 is hereby inserted immediately following Section 2.4.4 of the Original Agreement.

"**2.4.5.** [***] **Target**.

2.4.5.1. Merck may designate an Antigen as a [***] **Target**") in accordance with this Section 2.4.1.5 and Section 2.4.2 at any time prior to the [***] anniversary of the Effective Date.

2.4.5.2. Following the designation of the initial [***] Target and prior to the earlier of (i) [***] and (ii) [***], Merck may designate a new [***] Target in accordance with Section 2.4.2 to replace the original [***]Target, ***provided*** that Merck may only replace the [***] Target [***]. Following such designation, the original [***] Target will no longer be deemed to be the [***] Target, and Merck will have no further rights under this Agreement with respect to the original [***] Target.

2.4.5.3. Following Merck's designation of an Antigen as the Reserved Target and prior to Merck's designation of the Reserved Target as a Designated Target, if a Third Party exercising its rights under an agreement with [***], the Gatekeeper shall promptly provide notice to Merck of [***] (an "**Acceleration Notice**") and Merck may elect to designate the [***] Designated Target in accordance with Section 2.4.1.5 within [***] Business Days of receipt of the Acceleration Notice from the Gatekeeper. If Merck fails to make such designation within [***] Business Days, it shall have no further rights to the [***] Target and shall no longer have a right to designate the [***] Designated Target in accordance with Section 2.4.1.5."

ARTICLE 2 — ACKNOWLEDGEMENT OF PRIOR DESIGNATIONS

2.1 **Prior Designated Targets**. The Parties hereby acknowledge and agree that the [***] Designated Targets have been designated in accordance with the Prior Agreement prior to the Amendment Effective Date and that this Amendment shall have no effect on such prior designations.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

ARTICLE 3 — MISCELLANEOUS

3.1 **Effectiveness**. Except as set forth in this Amendment, all terms and conditions of the Original Agreement are hereby ratified and shall remain in full force and effect. Amendments made pursuant to this Amendment shall be effective as of the Amendment Effective Date.

3.2 **Conflicts**. In the event of a conflict between a provision of the Original Agreement and a provision of this Amendment, the provisions of this Amendment will control to the extent of such conflict.

3.3 **Counterparts**. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be signed or delivered by facsimile or electronically scanned signature page.

(The remainder of this page has been intentionally left blank. The signature page follows.)

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the Amendment Effective Date.

MERSANA THERAPEUTICS, INC.

By: /s/ Eva Jack

Name: Eva Jack

Title: Chief Business Officer

MERCK KGaA

By: /s/ Axel Hoffmann

Name: Axel Hoffmann

Title: Director Alliance Management Global Business Development & Alliance Management

By: /s/ Marco Rau

Name: Dr. Marco Rau, LL.M.

Title: Senior Counsel

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Exhibit 10.6

CONFIDENTIAL

AMENDMENT 2
TO
COLLABORATION AND COMMERCIAL LICENSE AGREEMENT

This Amendment 2 to Collaboration and Commercial License Agreement ("**Amendment**") is entered into as of the 12th day of August, 2016 (the "**Amendment 2 Effective Date**") by and between Mersana Therapeutics, Inc., a Delaware corporation, having its principal place of business at 840 Memorial Drive Cambridge, MA 02139 (hereinafter referred to as "**Mersana**") and Merck KGaA, a corporation with general partners having its principal place of business at Frankfurter Str. 250, 64293 Darmstadt, Germany (hereinafter referred to as "**Merck**," and together with Mersana, the "**Parties**"). This Amendment amends that certain Collaboration and Commercial License Agreement by and between Mersana and Merck dated June 23, 2014, as amended on June 1, 2016 (the "**Original Agreement**," and together with this Amendment, the "**Agreement**"). Capitalized terms used but not defined in this Amendment will have the definition set forth in the Original Agreement.

RECITALS

WHEREAS, the Parties wish to designate [***] Designated Target; and

WHEREAS, the Parties wish to amend the Original Agreement as set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth herein, the Parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1 — AMENDMENTS

1.1 **New Definitions**. The following new definitions are hereby added to Article 1 of the Agreement in alphabetical order:

(a) "**Amendment 2 Effective Date**" means August 12, 2016.

(b) "[***] **Designated Target**" is defined in Section 2.4.1.4.

1.2 **Research Plans**. Section 2.2.3 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

"**2.2.3**. **Research Plans**. The Research Plan for [***] Designated Target is attached as Schedule 2.2.3 #1. Subsequent Research Plans agreed upon in accordance with Section 2.4.1.4, Section 2.4.1.5 or Section 2.4.2.4, as applicable, will be attached as additional sequentially numbered schedules (Schedule 2.2.3 #2, Schedule 2.2.3 #3, etc.)."

1.3 **Term of a Research Program**. Section 2.3 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

"**2.3.** **Term of a Research Program**. The term of the first Research Program, which covers the [***] Designated Target, will commence upon the Effective Date, and the term of each subsequent Research Program will commence upon approval of a Research Plan under Section 2.4.1.4, Section 2.4.1.5 or Section 2.4.2.4, as applicable. Each Research Program will continue until [***] (a) [***]; (b) [***]; (c) [***]; (d) [***]; and (e) [***] (the term of a Research Program, each, a "**Research Program Term**"). If a Research Program Term ends pursuant to clause (c), (d) or (e) of this Section 2.3, then the Designated Target that is the subject of the applicable Research Program will no longer be deemed to be a Designated Target hereunder."

1.4 [***] **Designated Target**. Section 2.4.1.4 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

"**2.4.1.4.** The [***] Designated Target is set forth on Schedule 2.4.1 #5 (the [***] **Designated Target**"). Following the Amendment 2 Effective Date, the JPT will promptly meet to draft a Research Plan for the [***] Designated Target and will use good faith efforts to agree on such Research Plan. Upon written agreement by the Project Leaders on a proposed Research Plan for the [***] Designated Target, such proposed Research Plan will be deemed to be a Research Plan hereunder, and the Research Program for the [***] Designated Target will commence."

1.5 **Gatekeeper Process**. The reference to "Section 2.4.1.4" in the first sentence of Section 2.4.2 of the Original Agreement is hereby deleted.

1.6 **Target Exclusivity**. Section 2.4.4.1 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

"**2.4.4.1.** During the Term on a Designated Target-by-Designated Target basis, Mersana will collaborate exclusively with Merck with respect to such Designated Target during the period commencing with (i) [***], (ii) [***], (iii) [***] pursuant to Section 2.4.1.5, and ending [***] (a) [***]; (b) [***]; (c) [***] or (d) [***] (each such period, a "**Target Exclusivity Period**"). For purposes of this Section 2.4.4, "collaborate exclusively" means that Mersana will not, [***]. The provisions of this Section 2.4.4.1 shall not apply to any Future Acquirer or any Affiliate of any Future Acquirer other than Mersana to the extent that any activities conducted by any such Future Acquirer or any such Affiliate with respect to such Designated Target do not make use of any information or intellectual property right that is deemed Controlled by Mersana pursuant to this Agreement."

1.7 [***] **Restrictions**. The following new Section 2.4.4.3 is hereby inserted immediately following Section 2.4.4.2 of the Original Agreement:

"**2.4.4.3.** During the Target Exclusivity Period for the [***] Designated Target, Mersana will not, either directly or indirectly, [***]. The provisions of this Section 2.4.4.3 shall not apply to any Future Acquirer or any Affiliate of any Future Acquirer other than Mersana to the extent that any activities conducted by any such Future Acquirer or any such Affiliate with respect to [***] do not make use of any information

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

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or intellectual property right that is deemed Controlled by Mersana pursuant to this Agreement."

1.8 **Exclusive License**. Section 3.2 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

"**3.2.** **Exclusive Licenses to Merck**. With respect to each Designated Target, subject to the terms and conditions of this Agreement, Mersana will, and does hereby, grant to Merck an exclusive (even as to Mersana, except to the extent required for Mersana to perform its obligations under this Agreement), transferrable (only to the extent set forth in Section 13.2), sublicensable (only to the extent set forth in Section 3.3), royalty-bearing (a) right and license to and under the Mersana Technology, Mersana Platform Technology and Mersana's interest in the Joint Technology, and (b) right to access and reference to the Mersana Regulatory Documentation in accordance with Section 5, solely in connection with its exercise of its rights under clause (a) of this Section 3.2, in each case ((a) and (b)), to Exploit ADCs and Licensed Products, in each case, Directed to such Designated Target (including to conduct its activities under each Research Program as set forth in the applicable Research Plan), within the Field in the Territory (collectively (a) and (b) with respect to such Designated Target, an "**Exclusive License**"). Each Exclusive License will continue (i) for the applicable Royalty Term, unless earlier terminated pursuant to Section 11 or Section 2.4.4.2(a), and (ii) thereafter, as provided in Section 11.5.3.1 and Section 11.5.4. Notwithstanding anything to the contrary, with respect to the [***] Designated Target, the rights granted to Merck in the Exclusive License shall be solely for the Exploitation of ADCs and Licensed Products, in each case, Directed to the [***]."

1.9 **Schedule of Designated Targets**. Schedule 2.4.1 of the Original Agreement is hereby deleted in its entirety and replaced with Exhibit A attached hereto.

1.10 **Original Mersana In-Licenses**. The Parties acknowledge and agree that the TUBE Agreement and MGH Agreement have been terminated prior to the Amendment Effective Date. All references to the TUBE Agreement, MGH Agreement and Original Mersana In-Licenses in the Original Agreement are hereby deleted.

ARTICLE 2 — ACKNOWLEDGEMENT OF PRIOR DESIGNATIONS

2.1 **Prior Designated Targets**. The Parties hereby acknowledge and agree that the [***] Designated Targets have been designated in accordance with the Original Agreement prior to the Amendment Effective Date and that this Amendment shall have no effect on such prior designations.

ARTICLE 3 — MISCELLANEOUS

3.1 **Effectiveness**. Except as set forth in this Amendment, all terms and conditions of the Original Agreement are hereby ratified and shall remain in full force and effect. Amendments made pursuant to this Amendment shall be effective as of the Amendment Effective Date.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

3.2 **Conflicts**. In the event of a conflict between a provision of the Original Agreement and a provision of this Amendment, the provisions of this Amendment will control to the extent of such conflict.

3.3 **Counterparts**. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be signed or delivered by facsimile or electronically scanned signature page.

(The remainder of this page has been intentionally left blank. The signature page follows.)

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the Amendment Effective Date.

MERSANA THERAPEUTICS, INC.

By: /s/ Eva M. Jack

Name: Eva Jack

Title: Chief Business Officer

MERCK KGaA

By: /s/ Axel Hoffmann

Name: Axel Hoffmann

Title: Director Alliance Management Global Business Development & Alliance Management

By: /s/ Marco Rau

Name: Dr. Marco Rau, LL.M.

Title: Senior Counsel

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Exhibit A

SCHEDULE 2.4.1

DESIGNATED TARGETS

#	Target	Definition	OMIM	SwissProt
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Exhibit 10.7

CONFIDENTIAL

AMENDMENT 3
TO
COLLABORATION AND COMMERCIAL LICENSE AGREEMENT

This Amendment 3 to Collaboration and Commercial License Agreement ("**Amendment 3**") is entered into as of the 28th day of February, 2017 (the "**Amendment 3 Effective Date**") by and between Mersana Therapeutics, Inc., a Delaware corporation, having its principal place of business at 840 Memorial Drive Cambridge, MA 02139 (hereinafter referred to as "**Mersana**") and Merck KGaA, a corporation with general partners having its principal place of business at Frankfurter Str. 250, 64293 Darmstadt, Germany (hereinafter referred to as "**Merck**," and together with Mersana, the "**Parties**"). This Amendment 3 amends that certain Collaboration and Commercial License Agreement by and between Mersana and Merck dated June 23, 2014, as amended on June 1, 2016 ("**Amendment 1**") and on August 12, 2016 ("**Amendment 2**") (together the "**Original Agreement**," and together with this Amendment 3, the "**Agreement**"). Capitalized terms used but not defined in this Amendment 3 will have the definition set forth in the Original Agreement.

RECITALS

WHEREAS, the Parties wish to amend the Original Agreement as set forth in this Amendment 3;

WHEREAS, Merck has previously designated [***] as the Reserved Target in accordance with the terms of the Original Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth herein, the Parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1 — AMENDMENTS

1.1 **New Definitions**. The following new definitions are hereby added to Article 1 of the Original Agreement in alphabetical order:

(a) "**Amendment 3 Effective Date**" means February 28, 2017.

(b) "[*****] Designated Target Initial Research Period**" is defined in Section 2.6.

1.2 **Designation of [***] Designated Target**. Notwithstanding Section 2.4.1.5 of the Original Agreement, Merck hereby designates the Reserved Target as the [*****]** Designated Target and Mersana hereby agrees to such designation. Schedule 2.4.1 of the Original Agreement is hereby deleted in its entirety and replaced with Exhibit A attached hereto.

1.3 **Research Plan and Research Program for the [***] Designated Target**. Notwithstanding Sections 2.4.1.5 and 2.2.3 of the Original Agreement, the Research Plan for the [*****]** Designated Target is attached hereto as Exhibit B and is hereby approved by the Parties. Notwithstanding Section 2.3 of the Original Agreement, the Research Program for [*****]** Designated Target shall commence as of the Amendment 3 Effective Date.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

1.4 **Replacement of [***] Designated Target**. Section 2.4.3 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

"**2.4.3.** **Replacement of Designated Targets**. During the Research Program Term for a Research Program, in the event that the Project Leaders reasonably determine that it is [*****]** in accordance with the applicable Research Plan using at least one of the Merck Antibodies provided thereunder, the Project Leaders will promptly notify Merck in writing thereof. Merck may, at any time within [*****]** following receipt of such notice, designate a new Designated Target in accordance with Section 2.4.2 to replace the original Designated Target without using an additional of the overall [*****]** options to designate an Antigen as a new Designated Target pursuant to Section 2.4.1. The original Designated Target will no longer be deemed to be a Designated Target, and Merck will have no further right or license under this Agreement with respect to the original Designated Target. Within [*****]** after the expiration of the [*****]** Designated Target Initial Research Period, Merck may designate a new Designated Target in accordance with Section 2.4.2 to replace the original [*****]** Designated Target and after such designation the original [*****]** Designated Target will no longer be deemed to be a Designated Target, and Merck will have no further right or license under this Agreement with respect to the original [*****]** Designated Target."

1.5 **Initial [***] Designated Target Research.** The following new Section 2.6 is hereby inserted immediately following Section 2.5.4.4 of the Original Agreement.

"**2.6.** **Initial [***] Designated Target Research**. Following the Amendment 3 Effective Date, Mersana shall prepare and deliver ADCs Directed to the sixth Designated Target as set forth under "Initial ADC Preparation and Delivery" in the Research Plan for the sixth Designated Target. During the [*****]** period following delivery of such ADCs to Merck in accordance with the Research Plan (the "[*****] Designated Target Initial Research Period**"), Merck shall conduct the activities set forth under "Initial In Vitro Assessment" in the Research Plan and shall promptly provide Mersana with all data resulting from such activities."

ARTICLE 2 — ACKNOWLEDGEMENT OF PRIOR DESIGNATIONS

2.1 **Prior Designated Targets**. The Parties hereby acknowledge and agree that the first, second, third, fourth and fifth Designated Targets have been designated in accordance with the Original Agreement prior to the Amendment 3 Effective Date and that this Amendment 3 shall have no effect on such prior designations.

ARTICLE 3 — MISCELLANEOUS

3.1 **Effectiveness**. Except as set forth in this Amendment 3, all terms and conditions of the Original Agreement are hereby ratified and shall remain in full force and effect. Amendments made pursuant to this Amendment 3 shall be effective as of the Amendment 3 Effective Date.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

3.2 **Conflicts**. In the event of a conflict between a provision of the Original Agreement and a provision of this Amendment 3, the provisions of this Amendment 3 will control to the extent of such conflict.

3.3 **Counterparts**. This Amendment 3 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. Counterparts may be signed or delivered by facsimile or electronically scanned signature page.

(The remainder of this page has been intentionally left blank. The signature page follows.)

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

IN WITNESS WHEREOF, the Parties have executed this Amendment 3 to be effective as of the Amendment 3 Effective Date.

MERSANA THERAPEUTICS, INC.

By: /s/ Eva M. Jack

Name: Eva M. Jack

Title: Chief Business Officer

MERCK KGaA

By: /s/ i.V. Axel Hoffmann

Name: Axel Hoffman

Title: Director Alliance Management Global Business Development & Alliance Management

By: /s/ i.V. Tobias Greven

Name: Tobias Greven

Title: Head of BD Legal Healthcare

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Exhibit A

SCHEDULE 2.4.1

DESIGNATED TARGETS

#	Target	Definition	OMIM	SwissProt
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]		[***]
[***]	[***]	[***]		[***]
[***]	[***]	[***]		[***]

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Exhibit B

Research Plan for Sixth Designated Target

SCHEDULE 2.2.3-5

PROPOSED RESEARCH PLAN FOR [***] ([***] Designated Target)

Description of Work Flow Steps

[***]

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

EXHIBIT 1.1.98

PERFORMANCE SPECIFICATIONS for* [***] *(Sixth Designated Target)

Parameter	Analysis	Methods
[***]	[***] [***] [***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Exhibit 10.8

CONFIDENTIAL

LICENSE, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT

between

MERSANA THERAPEUTICS, INC.

and

RECEPTA BIOPHARMA S.A.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

TABLE OF CONTENTS

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

LICENSE, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT

This License, Development and Commercialization Agreement ("Agreement"), effective as of July 9, 2015 ("Effective Date"), is by and between Mersana Therapeutics, Inc. ("Mersana"), with offices at 840 Memorial Dr., Cambridge, MA 02139, USA and Recepta Biopharma, S.A. ("Recepta"), with offices at Rua Tabapuã, 1123 conj 36, Itaim Bibi, São Paulo, SP, CEP 04533 - 014, Brazil. Mersana and Recepta may be referred to in this Agreement individually as a "Party" or together as the "Parties."

BACKGROUND

WHEREAS, Mersana controls certain intellectual property rights relating to antibody-drug conjugates, including rights to its proprietary Fleximer® technology;

WHEREAS, Recepta controls certain patents, patent applications, proprietary know-how, scientific and technical information relating to the Antibody (as defined below), all of which Recepta controls from Brazil;

WHEREAS, subject to the terms and conditions of this Agreement, Mersana wishes to obtain, and Recepta is willing to grant, an exclusive license to certain intellectual property rights for the development, use, manufacture and commercialization of therapeutic products for the treatment of human cancers; and

WHEREAS, subject to the terms and conditions of this Agreement, Recepta desires to obtain the exclusive right in Brazil to commercialize products developed by Mersana pursuant to the aforementioned license.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. DEFINITIONS. For purposes of this Agreement, the following capitalized terms, whether used in the singular or plural, shall have the following meanings:

1.1 "Additional Development Activities" shall have the meaning assigned thereto in Section 3.1.2.

1.2 "Affiliate" means any Person that, directly or indirectly, controls, is controlled by or is under common control with a Party for so long as such control exists, where "control" means the direct or indirect ownership of at least fifty percent (50%) of the voting securities of an entity (or such lesser percentage which is the maximum allowed to be owned by a foreign corporation in particular jurisdiction), or such other relationship as results in the power to control the management and policies of an entity. References herein to a Party's "controlled Affiliates" shall mean any Person that is directly or indirectly controlled, within the meaning of this definition, by such Party.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

1.3 "Antibody" means Recepta's proprietary monoclonal antibody sequence that [***].

1.4 "ANVISA" means the Brazilian National Sanitary Surveillance Agency or any successor agency thereto.

1.5 "Applicable Law" means any law, statute, rule or regulation issued by a Governmental Authority or Regulatory Authority and any judicial, governmental or administrative order, judgment, decree, or ruling, in each case as applicable to the subject matter of this Agreement and the Parties and having a binding effect on the applicable Person.

1.6 "BLA" means a Biologics License Application or any amendments thereto submitted to the FDA, or any equivalent application in the United States that replaces such application.

1.7 "BLA Acceptance" means the written notification by the FDA that the BLA has met all the criteria for filing acceptance.

1.8 "BLA Approval" means approval by the FDA for marketing and sale of a Licensed Product in the United States, including any applicable final labeling approval, whether by virtue of any accelerated approvals, such as through Breakthrough Therapy Designation, or otherwise.

1.9 "Breakthrough Therapy Designation" means a drug designated by the FDA as a Breakthrough Therapy pursuant to Section 902 of the Food and Drug Administration Safety and Innovation Act, Pub. L. No. 112-144, 126 Stat. 993 (2012), as it may be amended from time to time, and the regulations promulgated thereunder.

1.10 "Business Day" means, (i) when used in relation to any obligation or notice to be given by Mersana, any day that is not a Saturday or Sunday or a day on which banks in New York, New York are authorized or required to be closed, or (ii) when used in relation to any obligation or notice to be given by Recepta, any day that is not a Saturday or Sunday or a day on which banks in São Paulo, Brazil are authorized or required to be closed, or (iii) when used in relation to any other matter, any day that is not a Saturday or Sunday or a day on which banks in either New York, New York or São Paulo, Brazil are authorized or required to be closed.

1.11 "Cessation Date" shall the meaning assigned thereto in Section 10.3.2(a).

1.12 "Claim" means any charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand.

1.13 "Clinical Trials" means a clinical trial in human subjects that has been approved by a Regulatory Authority and an institutional review board or ethics committee, and is designed to measure the safety and/or efficacy of a Licensed Product. Clinical Trials shall include Phase I Clinical Trials, Phase II Clinical Trials, Phase III Clinical Trials and any pre-clinical or post-Regulatory Approval studies undertaken in relation to any Licensed Product.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

1.14 “Combination Product” means a product that consists of an antibody drug conjugate and other active compounds or active ingredients sold as a single formulation or any combination of a Licensed Product sold together with another product that is not a Licensed Product (“Other Product”) for a single invoiced price. Notwithstanding the foregoing, Other Products shall not include any Linker, drug delivery vehicle, cytotoxic compound or other therapeutically active ingredient conjugated or otherwise linked to the Antibody, adjuvant, excipient or diagnostic compound.

1.15 “Commercialization” or “Commercialize” means engaging in any and all activities directed to (i) in the case of either Party’s activities, obtaining pricing and reimbursement approvals, marketing, promoting, distributing, offering for sale, selling, importing, or commercially exploiting a product and (ii) in the case of Mersana’s activities (in addition to the activities listed under the foregoing clause (i)) exporting a product and conducting post-Regulatory Approval studies.

1.16 “Confidential Information” shall have the meaning assigned thereto in Section 6.1.

1.17 “Control” or “Controlled” when used in reference to any intellectual property or intellectual property right of either Party or its Affiliates, including Patents and Know-How of such Party or such Affiliates, means the legal authority or right of such Party or such Affiliates to: (i) grant, or procure the grant of, a license or sublicense, to the extent provided for herein, of the intellectual property, intellectual property right, material, Know-How or information to the other Party; and/or (ii) in relation to material, Know-How and information only, disclose or provide access to, to the extent provided for herein, such material, Know-How or information to the other Party, and in each case without (1) breaching the terms of any agreement with a Third Party, (2) misappropriating the material, Know-How or information of a Third Party or (3) paying any additional consideration to any Third Party.

1.18 “Cover” or “Covering” means, (i) with respect to any Patent, that at least one Valid Claim of such Patent would be infringed by the product, method, use, or device, as applicable, and (ii) with respect to any other intellectual property right that the product, method, use or device would infringe or misappropriate such rights unless a license were granted.

1.19 “Development” or “Develop” means engaging in preclinical and clinical drug development activities, including, but not limited to, discovery, test method development, stability testing, toxicology, formulation, process development, manufacturing scale-up, development-stage manufacturing, analytical method validation, manufacturing process validation, cleaning validation, post-approval changes, quality assurance/quality control, statistical analysis, report writing, preclinical studies, Clinical Trials, regulatory filing submission and approval and regulatory affairs.

1.20 “Diligent Efforts” means, with respect to a Party’s obligations or tasks under this Agreement, the carrying out of such obligations or tasks with a level of effort and resources as would normally be devoted by a biotechnology company of similar size, resources and experience in connection with the research, development, manufacture or commercialization of a product (or product under development) owned by it, or to which it has exclusive rights,

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which is of similar market potential, profit potential or strategic value, based on the conditions then prevailing, taking into account, among other things, patient safety, efficacy and the costs and timeframes necessary to achieve Regulatory Approval in the relevant territory. The foregoing efforts shall at least be consistent with those that the applicable Party would normally devote to a product (or product under development) of similar market potential, profit potential or strategic value resulting from its own research efforts, based on the conditions then prevailing. In determining the appropriate level of efforts required to be devoted to its tasks and obligations under this Agreement, in no event shall a Party take into account the market potential, profit potential or strategic value of any product (or product under development) (other than the Licensed Products) to which it or any of its controlled Affiliates has any right or interest that targets the same protein as the Antibody, such that the market potential, profit potential and strategic value of the Licensed Products shall not be considered in relation to the market potential, profit potential and strategic value of any such other product (or product under development) to which the applicable Party or any of its controlled Affiliates has any right or interest that targets the same protein as the Antibody. Without limiting the foregoing, Diligent Efforts in all cases requires at least that the applicable Party (i) promptly assigns responsibility for such obligations to specific employee(s) who monitor progress on an ongoing basis; (ii) sets and consistently seeks to achieve specific and meaningful objectives for carrying out such obligations; and (iii) consistently makes and implements decisions and allocates resources designed to advance progress with respect to such objectives; provided, however, that the foregoing clauses (i) through (iii) shall not apply to any activity in respect of the Development, manufacturing or Commercialization of Licensed Products that a Party, acting reasonably and in good faith, has suspended or delayed (a) due to medical necessity to protect patients enrolled in a Clinical Trial or for other safety or efficacy reasons, or (b) in order to comply with Applicable Laws. Diligent Efforts will be determined on a country-by-country basis.

1.21 “Disclosing Party” shall have the meaning assigned thereto in Section 6.1.

1.22 “Effective Date” shall have the meaning assigned thereto in the first paragraph of this Agreement.

1.23 “EMA” means the European Medicines Agency and any successor agency thereto.

1.24 “FD&C Act” means the United States Federal Food, Drug & Cosmetic Act, as amended, together with any rules, regulations and requirements promulgated thereunder (including all additions, supplements, extensions and modifications thereto).

1.25 “FDA” means the United States Food and Drug Administration and any successor agency thereto.

1.26 “Field” means the diagnosis, prophylaxis and/or treatment of human cancers.

1.27 “First Commercial Sale” means, with respect to any Licensed Product and with respect to any country of the Territory, the first transfer or disposition for value of a Licensed Product by either Party or its Affiliates or sublicensees to a Third Party following, if

required by Applicable Law, Regulatory Approval and Pricing Approval of such Licensed Product and, when Regulatory Approval and Pricing Approval are not required by Applicable Law for the Licensed Product, the first sale, transfer or disposition for value of a Licensed Product in that country by either Party or its Affiliates or sublicensees to a Third Party; *provided*, that sales for clinical study purposes or compassionate, named patient (paid or unpaid) or similar use will not constitute a First Commercial Sale.

1.28 "Fleximer®" means Mersana's biodegradable polymer platform, poly(hydroxymethylethylene)hydroxymethyl formal, in any of its forms and sizes and varieties, including any improvements or enhancements thereto or adaptations or subsequent versions thereof.

1.29 "Force Majeure Event" shall have the meaning assigned thereto in Section 11.6.

1.30 "General Improvement" means any discovery (whether patentable or not) (i) which is invented during the Term by Mersana or its Affiliates or sublicensees as a result of Development or other activities undertaken by it or its Affiliates or sublicensees within the scope of this Agreement in respect of a Licensed Product and (ii) which relates to the Antibody and one or more other antibodies. For the avoidance of doubt, General Improvement does not include any discovery which is invented by any of Mersana's Affiliates (a) prior to or after the Term of the Agreement or (b) during the Term but is not actually used by Mersana's Affiliate or Mersana at any time during the Term in the Development, Commercialization or commercial manufacturing of, or incorporated in, any Licensed Product or the Antibody.

1.31 "Good Manufacturing Practices" or "GMP" means, with respect to the United States, the minimum then-current good manufacturing practices for methods, facilities, and controls to be used for the manufacture, processing, packing, or holding of a drug to assure that it meets the requirements of the FD&C Act for safety and has the identity and strength and meets the quality and purity characteristics, specified in 21 C.F.R. Parts 210 and 211, as may be amended, and, with respect to any other country or jurisdiction, the regulations in such other country or jurisdiction having a comparable purpose.

1.32 "Governmental Authority" means an applicable multi- or supra-national, federal, state, local, municipal or other government authority of any nature (including any governmental division, prefecture, subdivision, department, agency, bureau, branch, office, commission, council, court or other tribunal).

1.33 "ICC" means the International Chamber of Commerce.

1.34 "IND" means (i) in the United States, an Investigational New Drug Application, as defined in the FD&C Act, that is required to be filed with the FDA before conducting a Clinical Trial (including all supplements and amendments that may be filed with respect to the foregoing); and (ii) any foreign counterpart of the foregoing.

1.35 "Indemnified Party" shall have the meaning assigned thereto in Section 8.3.1.

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1.36 "Indemnifying Party" shall have the meaning assigned thereto in Section 8.3.1.

1.37 "Initiation" means, with respect to a Clinical Trial, the date of the dosing of the first subject.

1.38 "Know-How" means proprietary technical information, processes, formulae, data, inventions (whether or not patentable), methods, knowledge, discoveries, trade secrets and other information that are not generally known, including any tangible embodiments of the foregoing.

1.39 "Licensed Products" means (i) with respect to products manufactured, Developed or Commercialized by Mersana and/or any of its Affiliates or sublicensees, any product that (a) contains the [***], and (b) the Development, manufacture, use or Commercialization of which utilizes any Recepta Know-How or, [***] or (ii) with respect to products Commercialized by Recepta or any of its Affiliates or sublicensees, any formulation of a product described in clause (i) above which results from the Development activities carried out by Mersana and/or any of its Affiliates or sublicensees pursuant to this Agreement.

1.40 "LICR" means the Ludwig Institute for Cancer Research and any successor entity thereto.

1.41 "LICR License" means that certain Research, Development and License Agreement between LICR and Recepta, dated October 10, 2006, [***].

1.42 "Linker" shall have the meaning assigned thereto in the definition of Mersana Platform Know-How.

1.43 "Losses" means any and all damages (including, but not limited to, all loss of profits, diminution in value, and incidental, indirect, consequential, special, reliance, exemplary, punitive, statutory and treble damages), awards, deficiencies, settlement amounts, defaults, assessments, fines, dues, penalties, costs, fees, liabilities, obligations, taxes, liens, losses and expenses (including, but not limited to, court costs, interest and reasonable fees of attorneys, accountants and other experts) incurred by or awarded to Third Parties and required to be paid to Third Parties with respect to a Claim by reason of any judgment, order, decree, stipulation or injunction, or any settlement entered into in accordance with the provisions of this Agreement, together with all documented out-of-pocket costs and expenses incurred in contesting any Third Party Claim or complying with any judgments, orders, decrees, stipulations and injunctions that arise from or relate to a Third Party Claim.

1.44 "Major Market" means the following countries: [***].

1.45 "MAA" means a Marketing Authorization Approval issued by the EMA.

1.46 "Mersana" shall have the meaning assigned thereto in the preamble.

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1.47 "Mersana Annual Net Sales" means Mersana's, its Affiliates' and its sublicensees' aggregate worldwide Net Sales of all Licensed Products in a given calendar year during the Royalty Term.

1.48 "Mersana Cytotoxic Compound" means [***] that Mersana or any of its Affiliates Controls as of the Effective Date or at any time during the Term.

1.49 "Mersana Know-How" means Know-How, other than Recepta Know-How, that is (i) owned or Controlled by Mersana or any Affiliate of Mersana as of the Effective Date or at any time during the Term and (ii) necessary or useful to manufacture, Develop or Commercialize Licensed Products; *provided*, *however*, that in no event will any Specific Improvements constitute Mersana Know-How.

1.50 "Mersana Platform Know-How" means Mersana Know-How to the extent relating to or consisting of (i) a Mersana Cytotoxic Compound, (ii) [***], (iii) the conjugation of a Mersana Cytotoxic Compound to a Linker, (iv) the conjugation of a pharmaceutical compound to a Linker, (v) [***] or (vi) [***]; *provided*, *however*, that in no event will any Specific Improvements constitute Mersana Platform Know-How.

1.51 "Mersana Patents" means all Patents that are owned or Controlled by Mersana or any of its controlled Affiliates as of the Effective Date, or which become owned or Controlled by it or any of its controlled Affiliates during the Term, that, but for the license granted to Recepta under Section 2.1.2, would be infringed by Recepta's performance of its obligations or exercise of its rights under this Agreement; *provided*, *however*, that the Mersana Patents shall not include the Recepta Patents.

1.52 "Mersana Platform Patents" means all Mersana Patents that Cover any Mersana Platform Know-How.

1.53 "Mersana Product Patents" means all Mersana Patents other than Mersana Platform Patents.

1.54 "Mersana Promotional Materials" shall have the meaning set forth in Section 2.3.1.

1.55 "Mersana Technology" means the Mersana Patents and the Mersana Know-How.

1.56 "MHLW" means the Ministry of Health, Labour and Welfare in Japan, and any successor agency thereto.

1.57 "Net Sales" means the gross amounts invoiced or otherwise billed by a Party, its Affiliates or a Party's sublicensees for sales of Licensed Products to Third Party purchasers of such Licensed Products, *less the following deductions* with respect to such sales to the extent that such amounts are either included in the billing as a line item as part of the gross amount invoiced, or otherwise documented to be specifically attributable to actual sales of such Licensed Products:

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(a) trade discounts, including trade, cash and quantity discounts or rebates, credits or refunds (including inventory management fees, discounts or credits);

(b) allowances or credits actually granted upon claims, returns or rejections of Licensed Products, including recalls, regardless of the Party requesting such recall;

(c) bad debts; *provided* that the amount of any bad debts deducted pursuant to this exception and actually collected in a subsequent calendar quarter shall be included in Net Sales for such subsequent calendar quarter;

(d) charges included in the gross sales price for freight, insurance, transportation, postage, handling and any other charges relating to the sale, transportation, delivery or return of such Licensed Product;

(e) customs duties, sales, excise and use taxes and any other governmental charges (including value added tax) actually paid in connection with the transportation, distribution, use or sale of such Licensed Product (but excluding what are commonly known as income taxes);

(f) rebates and chargebacks or retroactive price reductions made to federal, state or local governments (or their agencies), or any Third Party payor, administrator or contractor, including managed health organizations; and

(g) non-recurring cash consideration given to Third Parties for the direct costs incurred by such Third Parties for establishing the infrastructure necessary for such Third Parties to import or distribute any Licensed Product in any country in the Territory where a Party does not

have such infrastructure in place (specifically excluding any commission paid to sales personnel, sales representatives and sales agents who are employees or consultants of the selling Party or its Affiliates or any of their sublicensees).

All of the foregoing deductions from the gross invoiced sales prices of Licensed Products will be determined in accordance with IFRS or GAAP, or such other accounting standard utilized by the Party or its Affiliate or sublicensee, as consistently applied by the applicable Party or its Affiliate or sublicensee, as applicable, with respect to external reporting. In the event that a Party, its Affiliates or any of its sublicensees makes any adjustments to such deductions after the associated Net Sales have been reported pursuant to this Agreement, the adjustments will be reported and reconciled in the next report and payment of any royalties due.

For clarification, sale of Licensed Products by a Party, its Affiliates or any of its sublicensees to another of these entities for resale by such entity to a Third Party shall not be deemed a sale for purposes of this definition of "Net Sales" unless such entity is the end customer of the Licensed Product sold. Further, use, supply or donation of Licensed Products by a Party, its Affiliates or any of its sublicensees for no profit (i) in connection with patient assistance programs, (ii) for charitable or promotional purposes, (iii) for preclinical, clinical, regulatory or governmental purposes, or compassionate use or other similar programs, or (iv) for tests or studies reasonably

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necessary to comply with any Applicable Law, regulation or request by a Regulatory Authority shall not, in each case, be deemed sales of such Licensed Products for purposes of this definition of "Net Sales."

1.58 "Other Product" shall have the meaning assigned thereto in the definition of Combination Product.

1.59 "Party" or "Parties" shall have the meaning assigned thereto in the first paragraph of this Agreement.

1.60 "Patent" means any and all national, regional or international (i) issued patents and pending patent applications (including provisional patent applications), (ii) patent applications filed either from the foregoing or from an application claiming priority in whole or in part to the foregoing, including all provisional applications, converted provisionals, substitutions, continuations, continuations-in-part, divisions, renewals and continued prosecution applications, and all patents granted thereon, (iii) patents-of-addition, revalidations, reissues, reexaminations and extensions, adjustments or restorations by existing or future extension or restoration mechanisms, including patent term adjustments, patent term extensions, supplementary protection certificates or the equivalent thereof, (iv) inventor's certificates, utility models, innovation patents and design patents, (v) other forms of government-issued rights substantially similar to any of the foregoing, including so-called pipeline protection or any importation, revalidation, confirmation or introduction patent or registration patent or patent of additions to any of such foregoing and (vi) United States and foreign counterparts of any of the foregoing.

1.61 "Patent Challenge" shall have the meaning assigned thereto in Section 9.2.

1.62 "Person" means any natural person, corporation, general partnership, limited partnership, limited liability company, proprietorship or other *de jure* entity organized under Applicable Laws of any jurisdiction.

1.63 "Phase I Clinical Trial" means a Clinical Trial that provides for the first introduction into humans of a product with the primary purpose of determining safety, metabolism and pharmacokinetic properties and clinical pharmacology of such product, in a manner that is generally consistent with 21 CFR § 312.21(a), as amended (or its successor regulation).

1.64 "Phase II Clinical Trial" means a Clinical Trial, the principal purpose of which is to make a preliminary determination as to whether a product is safe for its intended use and to obtain sufficient information about such product's efficacy, in a manner that is generally consistent with 21 CFR § 312.21(b), as amended (or its successor regulation), to permit the design of further Clinical Trials.

1.65 "Phase III Clinical Trials" means a pivotal Clinical Trial with a defined dose or a set of defined doses of a therapeutic product designed to ascertain efficacy and safety of such product, in a manner that is generally consistent with 21 CFR § 312.21(c), as amended

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(or its successor regulation), for the purpose of enabling the preparation and submission of a BLA or a foreign equivalent thereof.

1.66 "Pricing Approval" means, in any country or jurisdiction where a Governmental Authority is required, pursuant to Applicable Law, to approve or determine pricing or pricing reimbursement for medicinal products sold in such country or jurisdiction, the later of (i) the approval, agreement, determination or governmental decision establishing the price for the applicable Licensed Product that can be legally charged to consumers, as required by Applicable Law in such jurisdiction or country in connection with Commercialization of such Licensed Product in such jurisdiction or country and (ii) the approval, agreement, determination or governmental decision establishing the level of reimbursement for the applicable Licensed Product that will be reimbursed by Governmental Authorities, as required by Applicable Law in such jurisdiction or country in connection with Commercialization of such Licensed Product in such jurisdiction or country.

1.67 "Product Bundle" shall have the meaning set forth in Section 5.7.

1.68 “Promotional Materials” shall have the meaning set forth in Section 2.3.1.

1.69 “Receiving Party” shall have the meaning assigned thereto in Section 6.1.

1.70 “Recepta” shall have the meaning assigned thereto in the preamble.

1.71 “Recepta Annual Net Sales” means Recepta’s and its Affiliates’ and its sublicensees’ (for clarity, excluding Mersana and its sublicensees) aggregate worldwide Net Sales of all Licensed Products in a given calendar year during the Royalty Term.

1.72 “Recepta Know-How” means all Know-How that is (i) owned or Controlled by Recepta or any Affiliate of Recepta as of the Effective Date or at any time during the Term and (ii) necessary or useful for the Development, manufacture and Commercialization of Licensed Products in the Field in the Territory, including, but not limited to, all data and records (including preclinical and process-related data) that are owned or Controlled by Recepta or its Affiliate and related to the Antibody in existence as of the Effective Date.

1.73 “Recepta Patents” means the Patents listed in Exhibit 1 hereto and (i) patent applications filed either from the foregoing or from an application claiming priority to the foregoing, including all provisional applications, converted provisionals, substitutions, continuations, continuations-in-part, divisions, renewals and continued prosecution applications, and all patents granted thereon, (iii) patents-of-addition, revalidations, reissues, reexaminations and extensions, adjustments or restorations by existing or future extension or restoration mechanisms, including patent term adjustments, patent term extensions, supplementary protection certificates or the equivalent thereof, (iv) inventor’s certificates, utility models, innovation patents and design patents, (v) other forms of government-issued rights substantially similar to any of the foregoing, including so-called pipeline protection or any importation, revalidation, confirmation or introduction patent or registration patent or patent of additions to any of such foregoing and (vi) United States and foreign counterparts of any of the foregoing, in

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each case (clauses (i) through (vi)), that are owned or Controlled by Recepta or any of its controlled Affiliates as of the Effective Date or at any time during the Term.

1.74 “Recepta Promotional Materials” shall have the meaning assigned thereto in Section 2.3.1.

1.75 “Recepta Technology” means the Recepta Patents, Recepta Know-How and Specific Improvements, collectively.

1.76 “Recepta Territory” means Brazil.

1.77 “Recepta Trademarks” shall have the meaning assigned thereto in Section 2.3.2.

1.78 “Regulatory Approval” means, with respect to a particular country, final regulatory approval (but excluding Pricing Approval) required to commercially sell a Licensed Product for a disease or condition in accordance with the Applicable Laws of such country. In the United States, its territories and possessions, Regulatory Approval means BLA Approval. In the European Union and for any country that is a member of the European Union, Regulatory Approval means issuance of an MAA or an equivalent by the EMA.

1.79 “Regulatory Authority” means, with respect to a country in the Territory, any national (e.g., the FDA), supra-national (e.g., the European Commission, the Council of the European Union, or the European Medicines Agency), regional, state or local regulatory agency, department, bureau, commission, council or other Governmental Authority involved in the granting of a Regulatory Approval or a Pricing Approval, for biopharmaceutical products in such country.

1.80 “Responsible Party” shall have the meaning assigned thereto in Section 9.3.

1.81 “ROW Promotional Materials” shall have the meaning assigned thereto in Section 2.3.1.

1.82 “ROW Trademarks” shall have the meaning assigned thereto in Section 2.3.2.

1.83 “Royalty Term” means, (i) when used in relation to a particular country and a particular Licensed Product, a period starting on the Effective Date and expiring upon the later of (a)(1) with respect to products Commercialized by Mersana or any of its Affiliates or sublicensees, the expiry of the last-to-expire Recepta Patent which has at least one Valid Claim Covering such Licensed Product in such country (including the term of any applicable SPC) or (2) with respect to products Commercialized by Recepta or any of its Affiliates or sublicensees, the expiry of the last-to-expire Mersana Patent which has at least one Valid Claim Covering such Licensed Product in the Recepta Territory (including the term of any applicable SPC) and (b) [***] years from the date of First Commercial Sale of such Licensed Product in such country, (ii) when used in relation to a particular country, the last to expire Royalty Term, within the meaning of the foregoing clause (i), in such country and (iii) when used other than in relation to a

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particular Licensed Product or country, the last to expire Royalty Term, within the meaning of the foregoing clause (ii), in the Territory or in the Recepta Territory, as applicable.

1.84 "SPC" means a right based upon a Patent to exclude others from making, having made, using, offering to sell, selling, importing or exporting a Licensed Product, such as a Supplementary Protection Certificate.

1.85 "Specific Improvement" means any discovery (whether patentable or not) (a) which is invented during the Term by Mersana or its Affiliates or sublicensees as a result of Development or other activities undertaken by it or its Affiliate or sublicensee in respect of a Licensed Product and (b) which relates solely and specifically to the Antibody. For the avoidance of doubt, "Specific Improvement" specifically excludes General Improvements and any other discoveries relating directly to the Mersana Technology, including all patent applications and any patents resulting therefrom.

1.86 "Supply Agreement" shall have the meaning assigned thereto in Section 3.3.2.

1.87 "Term" shall have the meaning assigned thereto in Section 10.1.

1.88 "Territory" means all the countries and territories of the world.

1.89 "Third Party" means a Person who is not a Party or an Affiliate of a Party.

1.90 "Third Party Claim" shall have the meaning assigned thereto in Section 8.3.1.

1.91 "Third Party IP" shall have the meaning assigned thereto in Section 5.4.2.

1.92 "Third Party Licenses" means, collectively (i) the LICR License, (ii) that certain Agreement, dated [***], as amended and (iii) that certain [***], as amended.

1.93 "Third Party Payment" shall have the meaning assigned thereto in Section 5.4.2.

1.94 "Three-Party Agreement" means that certain Agreement Regarding LICR Technology between Recepta, LICR and Mersana of even date herewith.

1.95 "United States" means the United States of America and its territories and possessions.

1.96 "Valid Claim" means with respect to a Patent in a country any claim of an (i) issued Patent that has not (a) expired, irretrievably lapsed or been abandoned, revoked, dedicated to the public or disclaimed or (b) been found to be unpatentable, invalid or unenforceable by an unreversed and unappealable decision of a Governmental Authority in such country or (ii) application for a Patent that (a) has been pending for less than [***] years from the earliest claimed priority date and is being prosecuted in good faith and has not been

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abandoned or finally disallowed without the possibility of appeal or re-filing and (b) has not been admitted to be invalid or unenforceable through reissue, reexamination, or disclaimer.

2. LICENSE GRANTS AND OWNERSHIP.

2.1 License Grants.

2.1.1 License to Mersana. Subject to the terms and conditions of this Agreement, including Section 2.1.2 and Section 2.6, Recepta hereby grants to Mersana, and Mersana accepts, an exclusive, royalty-bearing, non-transferable (except as expressly set forth in Section 2.2.1 and Section 11.10) license or sublicense, as applicable, under Recepta's rights in the Recepta Technology, to make, have made, use, register, sell, offer to sell, import, export, exploit, research, improve, Develop and Commercialize Licensed Products in the Field in the Territory.

2.1.2 License Back to Recepta. Subject to the terms and conditions of this Agreement, Mersana hereby grants to Recepta, and Recepta accepts, an exclusive (including as to Mersana), royalty-bearing, non-transferable (except as expressly set forth in Section 2.2.2 and Section 11.10) license, under Mersana's rights in the Recepta Technology, the Mersana Know-How and the Mersana Patents, to import, promote, offer for sale, and sell (including through multiple tiers of distribution) and otherwise Commercialize Licensed Products in the Recepta Territory and to otherwise carry out its obligations and exercise its rights under this Agreement, in accordance with and subject to the terms hereof.

2.2 Sublicensing and Subcontracting.

2.2.1 Mersana's Right to Sublicense and Subcontract. Mersana may sublicense or subcontract its rights hereunder to research, Develop, manufacture or Commercialize Licensed Products in whole or in part to any of its Affiliates or to any Third Parties, subject to prior written notification to Recepta. Mersana shall not be relieved of its obligations under this Agreement as a result of granting any sublicense or subcontracting any of its activities as permitted under this Section 2.2.1, except to the extent such obligations are satisfactorily performed by such sublicensee or subcontractor, as applicable, in a manner consistent with Mersana's obligations under this Agreement. Recepta, its Affiliates and sublicensees shall not be considered sublicensees of Mersana pursuant to this Section 2.2.1. Mersana shall secure all appropriate covenants, obligations and rights from any such sublicensee or subcontractor, including, but not limited to, licenses, intellectual property rights and confidentiality obligations, to ensure that such sublicensee or subcontractor is subject to, and Mersana can comply with, all of Mersana's covenants and obligations to Recepta under this Agreement. With respect to any exclusive sublicenses granted by Mersana to any Third Party for the purpose of collaborating with such Third Party on the Development and/or Commercialization of any Licensed Product pursuant to this Agreement, Mersana will provide Recepta a copy of the applicable sublicense agreement with such Third Party promptly after the parties' execution of the same. Any such agreement shall be considered the Confidential Information of Mersana and may be redacted by Mersana prior to delivery to Recepta to exclude

confidential information of Mersana and/or the relevant sublicensee, provided that the redacted copy permits Recepta to determine that the sublicense agreement complies with requirements of

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this Section 2.2.1. Mersana's rights to sublicense or subcontract are limited as expressly set forth in this Section 2.2.1. Mersana shall use Diligent Efforts to enforce any such sublicense or subcontract and shall be responsible and liable for any failure of its sublicensees and subcontractors to comply with this Agreement, as though the acts and omissions of such sublicensee or subcontractor were the acts or omissions of Mersana itself. Without limiting the foregoing, Mersana shall ensure that any such sublicensee or subcontractor affords Mersana rights in any Know-How Controlled by such sublicensee or subcontractor that is necessary for the Development of the Licensed Products in the Recepta Territory, and any Patents Controlled by such sublicensee or subcontractor that would be infringed by the Commercialization by Recepta of the Licensed Products in the Recepta Territory, that are sufficient for such Know-How or Patents to be Controlled by Mersana within the meaning hereof, and thus licensable by Mersana to Recepta pursuant to Section 2.1.2.

2.2.2 Recepta's Right to Sublicense and Subcontract. Recepta may sublicense or subcontract its rights and obligations under this Agreement in respect of the Licensed Products to any of its Affiliates or to any Third Parties, subject to prior written notification to Mersana; *provided*, *however*, that if Recepta desires to sublicense or subcontract such rights to any Third Parties, it will discuss the proposed arrangement with Mersana so that the Parties may determine whether they are interested in entering into an agreement whereby Mersana would carry out the proposed arrangement in lieu of any Third Party. Recepta shall not be relieved of its obligations under this Agreement as a result of granting any sublicense or subcontracting any of its activities as permitted under this Section 2.2.2, except to the extent such obligations are satisfactorily performed by such sublicensee or subcontractor, as applicable, in a manner consistent with Recepta's obligations under this Agreement. Mersana, its Affiliates and sublicensees shall not be considered sublicensees of Recepta pursuant to this Section 2.2.2. Recepta shall secure all appropriate covenants, obligations and rights from any such subcontractor or sublicensee, including, but not limited to, licenses, intellectual property rights and confidentiality obligations, to ensure that such sublicensee or subcontractor is subject to, and Recepta can comply with, all of Recepta's applicable covenants and obligations to Mersana under this Agreement. With respect to any exclusive sublicenses granted by Recepta to any Third Party for the purpose of collaborating with such Third Party on the Development and/or Commercialization of any Licensed Product pursuant to this Agreement, Recepta will provide Mersana a copy of the applicable sublicense agreement with such Third Party promptly after the parties' execution of the same. Any such agreement shall be considered the Confidential Information of Recepta and may be redacted by Recepta prior to delivery to Mersana to exclude confidential information of Recepta and/or the relevant sublicensee, provided that the redacted copy permits Mersana to determine that the sublicense agreement complies with requirements of this Section 2.2.2. Recepta's rights to sublicense and subcontract are limited as expressly set forth in this Section 2.2.2. Recepta shall use Diligent Efforts to enforce any such sublicense or subcontract and shall be responsible and liable for any failure of its sublicensees or subcontractors to comply with this Agreement, as though the acts and omissions of such sublicensee or subcontractor were the acts or omissions of Recepta itself.

2.3 Promotional Materials; Trademarks.

2.3.1 Promotional Materials. Except as set forth below in this Section 2.3.1, Licensed Products shall be Commercialized solely in connection with packaging, inserts,

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digital content and similar information and materials (collectively, "Promotional Materials") selected by Mersana or its sublicensees responsible for Commercializing Licensed Products ("Mersana Promotional Materials"). Recepta may Commercialize Licensed Products in the Recepta Territory using such Promotional Materials used in connection with the relevant Licensed Products in the Major Markets (the "ROW Promotional Materials"), including translations thereof into Portuguese, or other Promotional Materials developed by it or on its behalf (such other Promotional Materials, "Recepta Promotional Materials"), but only if those Recepta Promotional Materials are consistent with the ROW Promotional Materials except for differences (including any additional Promotional Materials) between the Recepta Promotional Materials and the ROW Promotional Materials that are, in Recepta's reasonable determination, either required by Applicable Law or otherwise reasonably necessary to Commercialize the Licensed Products in the Recepta Territory. Any Recepta Promotional Materials that Recepta desires to utilize in the Recepta Territory must be approved in writing in advance by Mersana or its sublicensee responsible for Commercializing Licensed Products in the United States, such approval not to be unreasonably withheld, conditioned or delayed.

2.3.2 Trademarks. Except as set forth below in this Section 2.3.2, Licensed Products shall be Commercialized solely under trademarks and trade dress selected by Mersana or its sublicensees responsible for selling Licensed Products or, with respect to Commercialization in the Recepta Territory and subject to the following sentence, trademarks developed by Recepta. Recepta may utilize trademarks in connection with the Licensed Products in the Recepta Territory that are different from those utilized by Mersana and its sublicensees elsewhere in the Territory (the "ROW Trademarks") only if and to the extent that, after consultation with Mersana and considering in good faith Mersana's comments, Recepta reasonably determines that (i) use of any of such ROW Trademarks in connection with the Licensed Products in the Recepta Territory would infringe, dilute or otherwise violate any Third Party trademark or other proprietary rights in the Recepta Territory, is not permissible under Applicable Law in the Recepta Territory, or would be immoral or scandalous or (ii) use of the ROW Trademarks would adversely affect the Commercialization of the Licensed Products in the Recepta Territory. In the event that Recepta proposes to use any alternative trademark in the Recepta Territory in accordance with the foregoing, it shall so notify Mersana and the Parties shall discuss in good faith what alternative trademarks would be suitable. In any event, Recepta's use of any trademarks other than the ROW Trademarks in connection with the Commercialization of Licensed Products in the Recepta Territory (any such trademarks, "Recepta Trademarks") shall be subject to Mersana's prior written approval, such approval not to be unreasonably withheld, conditioned or delayed.

2.3.3 License to Mersana Promotional Materials and ROW Trademarks. Subject to the terms and conditions of this Agreement, Mersana hereby grants Recepta a non-exclusive, royalty-free, sublicensable, non-transferable (except as expressly set forth in Section 11.10), license to (i) use,

reproduce, and display the ROW Trademarks and (ii) use, reproduce, publish, display, distribute, modify, create derivative works and/or translations of the Mersana Promotional Materials, in each case solely in connection with its authorized Commercialization of Licensed Products in the Recepta Territory pursuant to this Agreement. Recepta may not materially alter its use of the ROW Trademarks without Mersana's express prior written approval. Recepta shall use all ROW Trademarks in a manner that is consistent with Mersana's quality standards and that complies with Mersana's trademark instructions and guidelines, which

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will be provided by Mersana in writing prior to First Commercial Sale of any Licensed Products in the Recepta Territory and prior to the effectiveness of any material changes thereto. Recepta shall not remove, alter, or obscure in any way any proprietary rights notices (including copyright and trademark notices) appearing in the Promotional Materials unless otherwise expressly authorized by Mersana in writing. Recepta shall do nothing inconsistent with Mersana's sole and exclusive ownership of the Mersana Promotional Materials and ROW Trademarks and all copyright, trademark and/or trade dress registrations thereof or to detract from Mersana's goodwill in the Mersana Promotional Materials and/or ROW Trademarks, including seeking any registration or contesting Mersana's title to or the validity of any such registrations. All use of the Mersana Promotional Materials and ROW Trademarks by Recepta shall inure to the benefit of and be on behalf of Mersana, and Recepta shall not acquire any rights therein or in any other related Promotional Materials or trademarks, other than the Recepta Promotional Materials and the Recepta Trademarks. Nothing in this Agreement shall give Recepta any right, title, or interest in the Mersana Promotional Materials or ROW Trademarks other than the license to use them in accordance with this Agreement. Mersana shall have the sole right and authority, in its discretion, to institute and prosecute lawsuits against Third Parties for infringement of any of the rights licensed under this Section 2.3.3. Recepta agrees to provide all reasonably requested assistance to Mersana in connection with the enforcement of its rights to the Mersana Promotional Materials and ROW Trademarks in the Recepta Territory and shall provide any evidence, documents, and testimony concerning the use by Recepta thereof, which Mersana may request for use in obtaining, defending, or enforcing its rights to the Mersana Promotional Materials and ROW Trademarks in the Recepta Territory. Mersana shall reimburse any reasonable and documented out-of-pocket expenses incurred by Recepta in connection with providing such assistance. Recepta shall not institute any suit or take any action on account of any infringements of the Promotional Materials or ROW Trademarks in the Recepta Territory without first obtaining the written consent of Mersana to do so. Recepta agrees that it is not entitled to share in any proceeds received by Mersana (by settlement or otherwise) in connection with any formal or informal action brought by Mersana with respect to the Mersana Promotional Materials or ROW Trademarks anywhere in the Territory.

2.3.4 Ownership of Promotional Materials and Trademarks. As between the Parties, Mersana shall exclusively own all Mersana Promotional Materials, including all derivative works and translations thereof (whether developed by Mersana, Recepta or any Third Party), and all ROW Trademarks. Mersana shall be responsible for and shall use Diligent Efforts with respect to the procurement, filing and maintenance of trademark registrations for all ROW Trademarks, including all registrations for ROW Trademarks in the Recepta Territory, and all related costs and expenses. To the extent Recepta develops or has developed any translations of the Promotional Materials, Recepta hereby assigns and agrees to assign all rights, title and interests in and to the foregoing to Mersana. As between the Parties, Recepta shall exclusively own all Recepta Promotional Materials and all Recepta Trademarks. Recepta shall be responsible for the procurement, filing and maintenance of trademark registrations for all such Recepta Trademarks in the Recepta Territory and all related costs and expenses.

2.4 Rights to Improvements.

2.4.1 Ownership of Improvements. Mersana shall promptly disclose to Recepta all Specific Improvements and, to the extent contemplated by Section 3.4.3, General

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Improvements, that Mersana or any of its Affiliates or sublicensees makes, conceives or reduces to practice in the performance of any of its or their Development and/or Commercialization activities in connection with this Agreement. As between the Parties, subject to the licenses granted in Sections 2.1.2, 2.2.2 and 2.4.2 below, Mersana retains all rights, title and interests, including all intellectual property rights embodied therein, in and to any General Improvements. If Mersana or any of its Affiliates or sublicensees makes, conceives or reduces to practice any Specific Improvements in the performance of any of its or their Development and/or Commercialization activities in connection with this Agreement, Mersana shall assign, and hereby does assign, all rights, title and interests in and to such Specific Improvements to Recepta. Mersana shall assist Recepta, at Recepta's request and expense, to further evidence, confirm, record and perfect such assignment, and to obtain, maintain, and perfect any rights assigned. In addition, Mersana shall secure all appropriate covenants, assignments and transfers of rights from any such Affiliate or sublicensee in and to any and all Specific Improvements necessary for Mersana to fully effect the foregoing assignment of Specific Improvements to Recepta.

2.4.2 License to General Improvements. Subject to the terms and conditions of this Agreement, Mersana hereby grants Recepta a non-exclusive, fully paid up, royalty-free, sublicensable (through multiple tiers), transferable, perpetual license, under all Patents and Know-How owned by Mersana or any of its Affiliates or sublicensees which Cover such General Improvements, to use and practice the General Improvements solely in connection with Recepta's use and exploitation of the Antibody; *provided*, *however*, that the foregoing license shall not become effective until such time as, and to the extent that, a General Improvement ceases to be included within the scope of the license granted pursuant to Section 2.1.2 hereof. Mersana shall secure all appropriate rights and licenses in and to any and all such General Improvements from its applicable Affiliates and sublicensees involved in the invention thereof as is necessary for Mersana to fully effect the foregoing license to Recepta. The foregoing non-exclusive license shall survive any termination or expiration of this Agreement. Anything to the contrary notwithstanding, except as contemplated by Section 3.4.3, Mersana shall be under no obligation to disclose or transfer to Recepta any Know-How relating to any General Improvement.

2.5 No Implied Rights. Nothing contained in this Agreement confers or will be construed to confer any rights or licenses by implication, estoppel or otherwise, in, to or under any intellectual property rights, other than the rights and licenses expressly granted in this Agreement. All rights not expressly granted by a Party under this Agreement are reserved to such Party. Without limitation, as between the Parties, Recepta retains sole and exclusive ownership of all rights, title and interests in and to the Recepta Technology and Mersana retains sole and exclusive ownership of all rights, title and interests in and to Fleximer® and the Mersana Technology. For the avoidance of doubt, and notwithstanding anything in this Agreement to the contrary, Recepta is not being granted and shall not have any right or license under Section 2.1.2 or otherwise to manufacture any Licensed Products on its own or, except in the circumstances contemplated by Section 3.3.2 or Section 10.3.4, any right or license to have any Licensed Product made for it by any third party; *provided, however,* that the foregoing shall in no way restrict Recepta from manufacturing the Antibody following any termination of this Agreement.

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2.6 Third Party Agreements. The Parties acknowledge that (i) certain of the rights granted to Mersana by Recepta pursuant to Section 2.1.1 are sublicenses of rights to Third Party intellectual property which are Controlled by Recepta under the terms of the Third Party Licenses, (ii) any such sublicenses granted to Mersana under Section 2.1.1 are subject to the applicable terms and conditions of such Third Party Licenses, including the research licenses retained by the licensors thereunder and (iii) each of them, together with LICR, is a party to the Three-Party Agreement which provides certain rights and assurances to Mersana concerning the rights licensed by LICR to Recepta pursuant to the LICR License. Mersana acknowledges having received copies, and/or written notice of the applicable terms and conditions, of the Third Party Licenses and that it has reviewed and understands the terms and conditions of such Third Party Licenses.

3. DEVELOPMENT AND COMMERCIALIZATION.

3.1 Development Activities.

3.1.1 By Mersana. Mersana shall use Diligent Efforts to Develop and Commercialize Licensed Products in the Major Markets, including, without limitation, by using Diligent Efforts to conduct such Clinical Trials and carry out such other activities as are necessary to obtain Regulatory Approval for the Licensed Product in the Major Markets and to cause the Development milestones listed in Section 5.2 to be achieved. Mersana shall use Diligent Efforts to include at least [***] in the Recepta Territory in a Phase III Clinical Trial. Mersana shall use Diligent Efforts to carry out such Development in accordance with a written Development plan outlining the significant Development activities it expects to undertake in furtherance of its Development obligations hereunder, which Mersana shall prepare as soon as reasonably practicable after the Effective Date, and shall amend such Development plan from time to time as its Development activities in respect of the Licensed Products progress. Mersana shall furnish Recepta with a copy of such Development plan once the same has been prepared and shall furnish Recepta with copies of each amended Development plan when available. Such Development plan and any amended Development plans are for Recepta's information only and shall be deemed to be the Confidential Information of Mersana. Without limiting Mersana's obligations to use Diligent Efforts to Develop Licensed Products as provided in the first sentence of this Section 3.1.1, any failure by Mersana to undertake or successfully achieve any of the activities set forth in, or to otherwise strictly adhere to, any such Development plan or amended Development plan for any reason shall not, by itself, be deemed a breach of this Agreement.

3.1.2 By Recepta. Promptly after Mersana or any of its sublicensees obtains Regulatory Approval for any Licensed Product in the Territory, Recepta shall use Diligent Efforts to obtain and maintain Regulatory Approval for such Licensed Product in the Recepta Territory. For the avoidance of doubt, it is not anticipated that Recepta will be required to conduct any Clinical Trials in connection with any Licensed Product. If, however, after receipt of Regulatory Approval in the United States, ANVISA or any other applicable Governmental Authority requires Recepta to conduct any Clinical Trials or to undertake any Development activities or any such Clinical Trial or other Development activities are required by Applicable Law or otherwise in order to obtain Regulatory Approval for such Licensed Product in the Recepta Territory (such required activities, collectively, "Additional Development Activities"), and reference to the Clinical Trials and other Development activities undertaken by

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Mersana in connection with the receipt of Regulatory Approval for such Licensed Product in the United States cannot be used to satisfy such requirement, Recepta shall have the right to undertake such Additional Development Activities subject to the following: (i) prior to commencing such Additional Development Activities, Recepta shall notify Mersana in writing of the need for such Additional Development Activities and the Parties shall discuss in good faith the conduct thereof and any considerations in relation thereto that may be relevant to the Development or Commercialization of the Licensed Products outside the Recepta Territory and (ii) Mersana shall have the option to conduct (or have conducted) some or all of such Additional Development Activities, in lieu of Recepta, on a timeframe to be reasonably determined by Mersana, but in any case designed to not materially delay the receipt of Regulatory Approval in the Recepta Territory. Mersana shall notify Recepta in writing within [***] Business Days after Mersana's receipt of written notification from Recepta of the need for such Additional Development Activities if Mersana intends to conduct (or have conducted) some or all of such Additional Development Activities; otherwise, Recepta shall have the right to conduct such Additional Development Activities at its sole cost and expense in a manner consistent with any requirements agreed-upon by the Parties in order to minimize the risk of any possible adverse impact the same may have on the Development or Commercialization of the Licensed Products outside the Recepta Territory. With respect to any Additional Development Activities to be conducted by or on behalf of Mersana: (1) prior to commencing any such Additional Development Activities, the Parties shall discuss in good faith and reasonably agree upon a budget and a development plan for such activities; (2) Mersana shall conduct (or have conducted) all such Additional Development Activities in accordance with such development plan (as modified from time to time with the mutual written agreement of the Parties), Applicable Law and the requirements of ANVISA or any other applicable Governmental Authority in relation thereto; (3) Mersana shall keep Recepta informed of all material developments in respect of such activities and shall notify Recepta promptly of any expenses that are expected to exceed such budget or any potential need to deviate from any element of such development plan whereupon the Parties shall promptly meet (by teleconference or otherwise) to discuss the same and endeavor in good faith to agree upon any appropriate adjustments to the development plan and/or; (4) in the event that such activities are expected to exceed such budget, to the extent practicable and

permissible pursuant to Applicable Law, Mersana will suspend or modify such Additional Development Activities if and as requested by Recepta; and (5) Recepta shall reimburse Mersana for any reasonable and documented out-of-pocket costs and expenses incurred by Mersana in connection with its conduct of (or having conducted) such Additional Development Activities in accordance with the foregoing, and, at Mersana's request, shall pay all regulatory filing fees, institutional review board fees, investigator stipends and any other Third Party costs and expenses associated with the conduct of such Additional Development Activities directly to the applicable Third Party(ies). With respect to any Additional Development Activities to be conducted by or on behalf of Recepta, (x) prior to commencing any such Additional Development Activities, Recepta shall prepare and provide to Mersana a written development plan in respect thereof, which development plan will be consistent with any such requirements that the Parties may agree upon, as contemplated above in this Section 3.1.2, in order to minimize the risk of any possible adverse impact the same may have on the Development or Commercialization of the Licensed Products outside the Recepta Territory, (y) Recepta shall conduct (or have conducted) all such Additional Development Activities in accordance with such development plan (as modified from time to time in a manner consistent

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with clause (x) and with notice to Mersana in the case of any material amendment), Applicable Law and the requirements of ANVISA or any other applicable Governmental Authority in relation thereto, and (z) Recepta shall keep Mersana informed of all material developments in respect of such activities.

3.2 Commercialization.

3.2.1 By Mersana. As between the Parties, Mersana shall have the sole right and responsibility for Commercialization of Licensed Products for distribution and sale outside the Recepta Territory and shall use Diligent Efforts to Commercialize Licensed Products in the Major Markets. Mersana shall bear all costs and expenses associated with its Commercialization of Licensed Products outside of the Recepta Territory.

3.2.2 By Recepta. Following receipt of Regulatory Approval for any Licensed Product in the Recepta Territory, Recepta shall use Diligent Efforts to Commercialize such Licensed Product in the Recepta Territory. Recepta shall bear all costs and expenses associated with its Commercialization of Licensed Products in the Recepta Territory.

3.3 Manufacturing.

3.3.1 General. Mersana shall use Diligent Efforts to manufacture or otherwise obtain supply of the requirements of formulated, packaged and labeled Licensed Products in connection with its Development and Commercialization obligations hereunder, in accordance with all Applicable Laws, GMP (as applicable) and this Agreement.

3.3.2 Recepta Territory. With respect to each Licensed Product that receives Regulatory Approval in the Territory, Mersana will, or will cause one or more of its sublicensees to, enter into a supply agreement under which Mersana or the applicable sublicensee(s) will supply Recepta or Recepta's sublicensee(s) with the Licensed Product for sale to end user customers in the Recepta Territory (the "Supply Agreement"). The Supply Agreement will contain such mutually agreeable and commercially reasonable pricing (not to exceed [***]), lead time, and other supply terms as the parties may mutually agree. Mersana will, or will cause one or more of its sublicensees to, negotiate such Supply Agreement in good faith and use Diligent Efforts to execute such Supply Agreement within [***] Business Days before the date the first Licensed Product receives Regulatory Approval in the Recepta Territory. For the avoidance of doubt, no royalties shall be payable to Recepta on account of sales of Licensed Products to Recepta or its distributors for sale to end user customers in the Recepta Territory and such sales shall not be factored into the calculation of Mersana Annual Net Sales for purposes of determining the royalty rate applicable to Net Sales of Licensed Products by Mersana or its sublicensees.

3.4 Assistance.

3.4.1 Upon Mersana's written request at any time, Recepta shall provide supply samples of the Antibody from Recepta's existing supply thereof, not to exceed [***] grams in the aggregate, to be used solely for comparison and testing by Mersana and/or its sublicensees or subcontractors in connection with Mersana's Development activities. Such

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supply will be at no charge to Mersana, other than freight charges actually incurred by Recepta, for which Mersana will be responsible and for which Mersana will reimburse Recepta promptly following receipt of written documentation thereof.

3.4.2 In connection with Mersana's Development and Commercialization activities under this Agreement, Recepta shall disclose to Mersana, at no charge, all material information comprising the Recepta Know-How that is owned or Controlled by Recepta as Mersana may reasonably request in order to Develop and Commercialize the Licensed Products. Without limiting the generality of the foregoing, Recepta shall (i) disclose to Mersana all technology, data, information and materials comprising the Recepta Know-How, including information related to the Recepta Patents, (ii) provide, upon request, reasonable personnel and technical assistance, expertise and cooperation as necessary for Mersana's understanding of such disclosed Recepta Know-How, and (iii) provide, to the extent necessary or useful for Mersana, or its sublicensees to Develop and/or Commercialize Licensed Products, and if requested by Mersana, a right of reference and access to any Recepta regulatory filings or documents contained therein. Mersana will be responsible for any pre-approved travel expenses, and other reasonable and documented out-of-pocket expenses, incurred by Recepta at Mersana's request in connection with Recepta fulfilling its obligations under this Section 3.4.2.

3.4.3 If and to the extent necessary in connection with Recepta's permitted Development activities, and its Commercialization activities, under this Agreement, Mersana shall disclose to Recepta, at no charge, all material information comprising the Mersana Know-How that is owned or Controlled by Mersana as Recepta may reasonably request in order to carry out such Development and Commercialization activities in respect of the Licensed Products. Without limiting the generality of the foregoing, and to the extent reasonably necessary in connection with such Development and Commercialization activities, Mersana shall (i) disclose to Recepta all technology, data, information and materials comprising the Mersana Know-How, including information related to the Mersana Patents and (ii) provide, upon request, reasonable personnel and technical assistance, expertise and cooperation as necessary for Recepta's understanding of such disclosed Mersana Know-How. Recepta will be responsible for any pre-approved travel expenses, and other reasonable and documented costs and expenses, incurred by Mersana at Recepta's request in connection with Mersana fulfilling its obligations under this Section 3.4.3.

3.5 Reporting.

3.5.1 Within [***] Business Days after the end of each calendar year during the period from the Effective Date until the end of the Royalty Term, Mersana will provide a reasonably detailed written report of its manufacturing, Development and Commercialization activities in respect of the Licensed Products and the results thereof. In addition, to the extent requested by Recepta, Mersana will meet with Recepta (via teleconference or video conference) periodically to discuss Mersana's progress, plans, and performance (including data generated in connection with Clinical Trials) in respect of the Development of the Licensed Products. For the avoidance of doubt, no such meetings will be required with respect to any Licensed Product after the First Commercial Sale of such Licensed Product. Prior to the initiation of the first Clinical Trial in respect of the Licensed Products, such meetings will

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not be required to occur more often than [***]. Thereafter, such meetings will not be required to occur more often than [***].

3.5.2 Within [***] Business Days after the end of each calendar year during the period from the Effective Date until the end of the Royalty Term, Recepta will provide reasonably detailed annual written reports of its Commercialization efforts in respect of the Licensed Products in the Recepta Territory.

4. REGULATORY MATTERS.

4.1 Major Markets.

4.1.1 Mersana shall be solely responsible for, and shall use Diligent Efforts in connection with, the submission of information to, communicating with, and seeking Regulatory Approval for Licensed Products in the Major Markets and will keep Recepta informed of all significant issues arising therefrom and material developments with respect thereto. Mersana will take into account Recepta's reasonable suggestions and comments with respect to the materials and information which Mersana decides to submit to the Regulatory Authorities outside the Recepta Territory in respect of the Licensed Products.

4.1.2 Mersana hereby grants Recepta a right of reference to all data and information contained or referenced in those sections of regulatory filings for Licensed Products in the Territory that are held by Mersana, its Affiliates or any of its sublicensees, that would be reasonably necessary or useful for Recepta's obtaining Regulatory Approval for such Licensed Products in the Recepta Territory. Mersana shall provide the applicable Regulatory Authority a letter confirming this right of reference at any time within [***] Business Days after Recepta's request and shall take such other actions and execute such other documents as Recepta may reasonably request to further confirm and give effect to this right of reference.

4.2 Recepta Territory.

4.2.1 Subject to Section 3.1.2, Recepta shall be solely responsible for, and shall use Diligent Efforts in connection with, the submission of information to, communicating with, and seeking Regulatory Approvals for Licensed Products in the Recepta Territory and will keep Mersana informed of all significant issues arising therefrom and material developments with respect thereto. Recepta will take into account Mersana's reasonable suggestions and comments with respect to the materials and information which Recepta decides to submit to ANVISA in respect of the Licensed Products in the Recepta Territory. If and to the extent access to information, data (including Clinical Trial results), or materials (including samples of the relevant Licensed Product to the extent required in connection with Recepta's application for Regulatory Approval) to which Recepta is not otherwise afforded access hereunder is necessary for Recepta to obtain and/or maintain Regulatory Approval in the Recepta Territory, Recepta shall notify Mersana in writing and Mersana shall make such information, data and/or materials available to Recepta as soon as practicable, it being understood that Recepta's receipt, use and disclosure of such information, data and/or materials shall be subject to the terms, conditions and limitations of this Agreement.

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4.2.2 As between the Parties, Recepta shall own all Regulatory Approvals for the Recepta Territory. Recepta shall provide Mersana with reasonable advance notice of any meetings and other communications with ANVISA, and shall also provide Mersana with copies of any filings with ANVISA related thereto prior to submission to ANVISA for Mersana's review and approval (such approval not to be unreasonably withheld, conditioned or delayed). Recepta hereby grants to Mersana (or its designated sublicensee), a right of reference to all such filings for all uses in connection with the obtaining or maintaining any Regulatory Approvals for Licensed Products outside the Recepta Territory. For so long as the license granted to Mersana under Section 2.1.1 remains in effect, Recepta shall not assign or transfer any Regulatory Approvals for the Recepta Territory to any Affiliate or Third Party without the prior written consent of Mersana, except in connection with a permitted assignment of the entire Agreement pursuant to Section 11.10. In such case, any Regulatory

Approvals in the Recepta Territory must also be contemporaneously assigned and transferred to the applicable assignee unless the Parties agree otherwise in writing.

4.3 Cooperation; Costs and Expenses. Each Party shall provide all reasonably requested assistance to the other Party as may be required by such requesting Party where liaison between the Parties is, or may be, necessary to enable such Party to fulfill its responsibilities hereunder. Each Party shall be fully responsible for bearing all costs and expenses associated with its own submissions of information to, communications with, and seeking of Regulatory Approval for which and for so long as they have the responsibility pursuant to this Article 4, including, but not limited to, the costs of preparing and prosecuting applications for such Regulatory Approvals and fees payable to Regulatory Authorities in obtaining same.

4.4 Drug Safety Information. Both Parties shall comply fully with all applicable adverse event reporting recommendations and requirements in all countries where the Parties intend to market the Licensed Products and agree to exchange such information as may be necessary to achieve that end and to ensure that both Parties are completely informed regarding adverse events with respect to Licensed Products. This includes single case reports, together with an appropriate medical evaluation, as well as aggregate data, such as PSURs required by authorities. Both Parties will execute and implement a detailed pharmacovigilance agreement pertaining to Licensed Products in the Recepta Territory no later than [***] months before the earlier of the following events: (i) Recepta or Mersana is physically and/or legally able to distribute Licensed Products in the market, in a clinical trial or for whatever purpose, or (ii) Recepta or Mersana has a Regulatory Approval, a clinical trial authorization, or has regulatory reporting obligations for any other reason.

4.5 Recalls or Corrective Action. Mersana shall have sole responsibility for and shall make all decisions with respect to any recall, market withdrawal or other corrective action related to the Licensed Products in the Territory, *provided*, *however*, that Mersana shall notify Recepta as soon as reasonably practicable of any anticipated recall, market withdrawal or other corrective action related to any Licensed Products in the Territory and shall consult Recepta prior to making any such decision with respect to Licensed Products sold in the Recepta Territory and take into account Recepta's views and interests in making its decision with respect thereto, provided such consultation does not delay or endanger the recall process. Mersana shall be solely responsible for all costs and expenses associated with such recall, market withdrawal or corrective action, including, but not limited to, all fines, fees and refunds to distributors and other

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customers and Mersana shall reimburse Recepta for any such amounts incurred by Recepta at Mersana's request in connection therewith, unless the recall was caused by any act, omission or breach of this Agreement by Recepta, in which case Recepta shall bear all such costs and expenses. Without limiting the foregoing, in the event that Recepta or any of its sublicensees is required by Applicable Law to undertake any recall, market withdrawal or other corrective action in respect of any Licensed Product in the Recepta Territory, Recepta shall promptly notify Mersana in writing. If, after receipt of such written notice, Mersana fails to commence such recall, market withdrawal or other corrective action in the Recepta Territory within the time period mandated by Applicable Law or, in the absence of any legally mandated time period, within [***] Business Days after its receipt of Recepta's written notice, then Recepta or its sublicensee shall have the right to undertake the same on its own behalf, in accordance with Applicable Law and all of Mersana's reasonable instructions with respect thereto until such time as Mersana notifies Recepta in writing that it will assume control over such recall, market withdrawal or corrective action. Mersana shall reimburse Recepta for its costs and expenses with respect thereto unless the recall was caused by an act, omission or breach of this Agreement by Recepta, in which case Mersana shall not be obligated to reimburse Recepta for its costs and expenses.

4.6 Events Affecting Integrity or Reputation. During the Term, the Parties shall notify each other promptly of any circumstances of which they are aware and which could reasonably be expected to impair the integrity and reputation of Licensed Products or if a Party is threatened by or becomes aware of unlawful activity in relation to Licensed Products, including, but not limited to, deliberate tampering with or contamination of Licensed Products.

5. FINANCIAL PROVISIONS. In consideration of the rights granted by the Parties to one another hereunder, particularly the licenses set forth in Article 2 above, the Parties agree to make the following payments:

5.1 Execution Payment. Within [***] Business Days after the Effective Date, Mersana shall pay to Recepta a non-creditable, non-refundable license fee of one million dollars (US$1,000,000).

5.2 Development Milestone Payments. In the event Mersana or its Affiliate or sublicensee achieves a Development milestone specified below, Mersana shall promptly, but in no event more than [***] Business Days after the achievement of each such milestone, notify Recepta in writing of the achievement of such milestone. Mersana shall pay to Recepta the corresponding non-refundable, non-creditable milestone payments as specified below within [***] after achievement of the particular milestone. If requested by Mersana, Recepta shall provide a written invoice for any such Development milestone payment promptly following Mersana's notice to Recepta of the achievement thereof, *provided*, *however*, that the provision of such invoice shall not be a precondition of Mersana's obligation to make such payment. The full milestone payments shall be payable [***] for each of the first Licensed Product to achieve such milestones and the second Licensed Product to achieve such milestones, regardless of the total number of Licensed Products to achieve the applicable milestone or the number of times each such milestone is achieved for a given Licensed Product. No milestone payments will be due in respect of subsequent achievement of the same milestone for the same Licensed Product. All

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milestone payments will apply whether Licensed Products are Developed and Commercialized as single or Combination Products.

Development Milestones	First Product	Second Product
	Milestone Payment	

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

5.3 Commercialization Milestone Payments. In the event that Mersana Annual Net Sales reach one or more of the amounts set forth below, Mersana will make the corresponding milestone payment(s) specified below to Recepta no later than [***] calendar days following the end of the calendar year in which such Mersana Annual Net Sales milestone(s) was achieved. Each such milestone payment shall be non-refundable and non-creditable and shall be payable one time only. In the event that more than one of the Mersana Annual Net Sales milestones is first achieved in the same calendar year, then each corresponding milestone payment shall be payable following the end of such calendar year in accordance with the foregoing.

Mersana Annual Net Sales Milestone	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]

5.4 Royalties on Mersana Annual Net Sales.

5.4.1 Mersana will make royalty payments based on Mersana Annual Net Sales from the date of the First Commercial Sale of the [***] Licensed Product outside the Recepta Territory until the expiration of the Royalty Term. Upon expiration of the Royalty Term for a particular Licensed Product in a particular country, no Net Sales of such Licensed Product in such country following the last day of such Royalty Term shall be included in Mersana's Annual Net Sales for purposes hereof. Such royalty payments shall be calculated based on year-to-date Mersana Annual Net Sales, applying the tiered royalty rates shown below:

Mersana Annual Net Sales	Royalty Rate
[***]	[***]
[***]	[***]
[***]	[***]

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For avoidance of doubt, the following example shall illustrate the royalty payment calculation: Royalties on aggregate Net Sales outside the Recepta Territory in a calendar year shall be paid at the rate applicable to the portion of Net Sales within each of the Net Sales levels during such calendar year. For example, if, during a calendar year, aggregate Net Sales outside the Recepta Territory were equal to [***], then the royalties payable would be calculated by adding (i) the royalties with respect to the first [***] at the first-level percentage of [***]; and (ii) the royalties with respect to the next [***] at the second-level percentage of [***], for a total royalty of [***].

5.4.2 Mersana shall be solely responsible for all royalties, milestone payments, fees or other amounts due to any Third Parties to obtain any rights to any intellectual property that Mersana reasonably determines, based on the advice of outside legal counsel, is necessary to exercise the rights granted to Mersana under this Agreement or to enable Mersana to grant Recepta the licenses set forth in Sections 2.1.2 and 2.2.2 hereof ("Third Party IP"). Mersana shall be entitled to deduct from royalties owed to Recepta pursuant to this Section 5.4.2 [***] of all payments made by Mersana to any Third Party that are owed pursuant to any license agreement, settlement or award or judgment (including but not limited to damages) with or to a Third Party for Third Party IP (each, a "Third Party Payment"). Notwithstanding the foregoing, in no event shall Mersana be entitled to reduce the amount of any individual royalty payment owed to Recepta by more than [***] pursuant to this Section 5.4.2.

5.5 Royalties on Recepta Annual Net Sales. Recepta will make royalty payments based on Recepta Annual Net Sales from the date of the First Commercial Sale of the [***] Licensed Product in the Recepta Territory until the expiration of the Royalty Term in the Recepta Territory. Such royalty payments shall be calculated based on year-to-date Recepta Annual Net Sales in the Recepta Territory, applying the tiered royalty rates shown below:

Recepta Annual Net Sales	Royalty Rate
[***]	[***]
[***]	[***]

For avoidance of doubt, the following example shall illustrate the royalty payment calculation: Royalties on aggregate Net Sales in the Recepta Territory in a calendar year shall be paid at the rate applicable to the portion of Net Sales within each of the Net Sales levels during such calendar year. For example, if, during a calendar year, aggregate Net Sales in the Recepta Territory were equal to [***], then the royalties payable would be calculated by adding (i) the royalties with respect to the first [***] at the first-level percentage of [***]; and (ii) the royalties with respect to the next [***] at the second-level percentage of [***], for a total royalty of [***].

5.6 Combination Products. If a Licensed Product under this Agreement is sold in form of a Combination Product, then Net Sales for such Combination Product shall be determined on a [***] as follows:

5.6.1 If the Licensed Product and the Other Product are sold separately, the royalty payments due on the Net Sales of the Combination Product shall be equal to the applicable percentage (royalty rate) multiplied by the Net Sales of the Combination Product

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multiplied by the fraction, A/(A+B) where "A" is the mean gross selling price of the Licensed Product and "B" is the mean gross selling price of the Other Product.

5.6.2 If the Licensed Product and the Other Product are sold separately, but the mean gross selling price of the Other Product cannot be determined, the royalty payments due on the Net Sales of the Combination Product shall be equal to the applicable percentage (royalty rate) multiplied by the Net Sales of the Combination Product multiplied by the fraction A/C wherein "A" is the mean gross selling price of the Licensed Product and "C" is the mean gross selling price of the Combination Product.

5.6.3 If the Licensed Product and the Other Product are sold separately, but the mean gross selling price of the Licensed Product cannot be determined, the royalty payments due on the Net Sales of the Combination Product shall be equal to the applicable percentage (royalty rate) multiplied by the Net Sales of the Combination Product multiplied by the following formula: one (1) minus B/C wherein "B" is the mean gross selling price of the Other Product and "C" is the mean gross selling price of the Combination Product.

5.6.4 If the Licensed Product and the Other Product are sold separately, but the mean gross selling price of neither the Licensed Product nor the Other Product can be determined, Net Sales of the Licensed Product shall be equal to Net Sales of the Combination Product multiplied by a percentage agreed to by the Parties, acting in good faith. If the Parties are unable to agree upon such a percentage, the dispute shall be resolved by arbitration pursuant to Section 11.7.

5.7 Bundling. In the event a Licensed Product is "bundled" for sale together with one or more other products in a country (a "Product Bundle"), then Net Sales for such Licensed Product may be discounted by no more than the [***] of all products in a particular Product Bundle sold in such country calculated as [***].

5.8 Loss of Patent Coverage.

5.8.1 With respect to any country outside the Recepta Territory, if the manufacture, use, importation, offering for sale or sale of any Licensed Products in such country is Covered as of the date of the First Commercial Sale in such country, or becomes Covered thereafter, by a Valid Claim of at least one Recepta Patent and the manufacture, use, importation, offering for sale or sale of such Licensed Product in such country subsequently ceases to be Covered by a Valid Claim of at least one Recepta Patent, then, for the remaining period of the Royalty Term applicable to such Licensed Product in such country, the Net Sales of such Licensed Product in such country to be included in the Mersana Annual Net Sales for the purpose of the calculation of the royalties due under Section 5.4.1 shall be reduced by [***]. With respect to any country outside the Recepta Territory, if the manufacture, use, importation, offering for sale or sale of any Licensed Products in such country is not Covered by a Valid Claim of at least one Recepta Patent as of the date of the First Commercial Sale in such country, the Net Sales of such Licensed Product in such country to be included in the Mersana Annual Net Sales for the purpose of the calculation of the royalties due under Section 5.4.1 shall be reduced by [***]; *provided*, *however*, that such reduction shall not apply to any Net Sales in such country that are received by Mersana after such time, if any, during the Royalty Term applicable

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to such Licensed Product, as such Licensed Product becomes Covered by a Valid Claim of at least one Recepta Patent in such country, and continues to be Covered by at least one such Valid Claim. The Parties hereby acknowledge and agree that royalties that are payable by Mersana for a Licensed Product for which no Patents exist shall be in consideration of (i) Recepta's expertise and know-how concerning its Development of the Recepta Know-How and (ii) the licenses granted to Mersana hereunder with respect to Recepta Know-How that are not within the claims of any Recepta Patents.

5.8.2 With respect to the Recepta Territory, if the manufacture, use, importation, offering for sale or sale of any Licensed Products in such territory is Covered as of the date of the First Commercial Sale in such territory, or becomes Covered thereafter, by a Valid Claim of at least one Mersana Patent and the manufacture, use importation, offering for sale or sale of such Licensed Product in such territory subsequently ceases to be Covered by a Valid Claim of at least one Mersana Patent, then for the remaining period of the Royalty Term applicable to such Licensed Product in such territory, the Net Sales of such Licensed Product in such territory to be included in the Recepta Annual Net Sales for the purpose of calculation of the royalties due under Section 5.5 shall be reduced by [***]. With respect to the Recepta Territory, if the manufacture, use, importation, offering for sale or sale of any Licensed Products in such country is not Covered by a Valid Claim of at least one Mersana Patent as of the date of the First Commercial Sale in such territory, the Net Sales of such Licensed Product in such territory to be included in the Recepta Annual Net Sales for the purpose of the calculation of the royalties due under Section 5.5 shall be reduced by [***]; *provided*, *however*, that such reduction shall not apply to any Net Sales in such territory that are received by Recepta after such time, if any, during the Royalty Term applicable to such Licensed Product, as such Licensed Product becomes Covered by a Valid Claim of at least one Mersana Patent in such territory, and continues to be Covered by at least one such Valid Claim. The Parties hereby acknowledge and agree that royalties that are payable by Recepta for a Licensed Product for which no Patents exist shall be in consideration of (i) Mersana's expertise and know-how concerning its Development of the Mersana Know-How and (ii) the licenses granted to Recepta hereunder with respect to Mersana Know-How that are not within the claims of any Mersana Patents.

5.9 Payment Terms. Each Party shall make all royalty payments owed under this Agreement within [***] Business Days following the end of each calendar quarter for Net Sales from the previous calendar quarter, and together with such payment, shall submit to the other Party a written report setting forth (i) a reasonably detailed calculation of the Net Sales for such calendar quarter in each country in its respective territory upon which such royalty payments are based including all deductions from gross sales made in arriving at the same, (ii) year-to-date, total royalty payments due to the other Party in respect of Licensed Products and Combination Products, and (iii) any other information needed to support the calculation of such Net Sales and royalty payments. All sums due under this Agreement shall be payable in United States dollars by bank wire transfer in immediately available funds to such bank account(s) as the applicable payee shall designate.

5.10 Currency. When Licensed Products are sold for monies other than United States dollars, the Net Sales of such Licensed Products will first be determined in the foreign currency of the country in which such Licensed Products were sold and then converted into equivalent United States funds. The exchange rate will be the applicable rate published by the

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Wall Street Journal on the last Business Day of the calendar quarter in which such royalties accrued.

5.11 Tax Withholding, Financial Records and Audits.

5.11.1 Tax Withholding. If Applicable Law requires either Party to withhold any taxes from payments made to the other Party under this Agreement, then such taxes shall be deducted by the withholding Party as required by and shall be paid by the withholding Party to the proper tax authorities. Official receipts of payment of any withholding tax shall be secured and sent to Party whose payments were subject to withholding as evidence of such payment. The Parties shall exercise their best efforts to ensure that any withholding taxes imposed are reduced as far as possible under the provisions of any relevant tax treaty. The Parties agree that Recepta is transferring substantially all of its rights in the Recepta Technology for the Field and, as such, agree to treat such transfer as a sale (versus a license) for U.S. Federal tax purposes. Accordingly, Mersana agrees that no U.S. withholding shall be made with respect to the upfront payment to be paid by Mersana pursuant to Section 5.1 or any of the milestone payments to be paid by Mersana pursuant to Sections 5.2 or 5.3. However, if any relevant Governmental Authority or any change in Applicable Law requires Mersana to make such withholdings or to remit any amounts which were required to have been withheld in respect of any previous payments to Recepta hereunder, Mersana shall notify Recepta promptly in writing and Mersana may make such withholdings and may remit such amounts. Recepta shall indemnify Mersana for any withholding amounts it is required to remit to the applicable Governmental Authority in respect of such previous payments to Recepta, together with any fines or penalties incurred solely as a result of Mersana's failure to make such withholding.

5.11.2 Financial Records and Audits. Each Party shall keep accurate and complete records of all financial information needed to calculate Net Sales and/or any payments due to such Party under this Agreement. Each Party shall retain all records relating to Net Sales and/or any payments made to such Party during the [***] preceding calendar years. During the Royalty Term applicable to a Party and for [***] thereafter, at the other Party's written request, such records shall be made available for inspection, review and audit, during normal business hours and with reasonable advance notice to the audited Party, by an independent certified public accountant appointed by the auditing Party and reasonably acceptable to the audited Party for the purpose of verifying the accuracy of the audited Party's reports and payments related to or based on Net Sales pursuant to this Agreement and reporting to the auditing Party the findings (but not the underlying data) of said examination of records as are necessary to evidence whether or not the audited Party has complied with its payment and other financial obligations related to or based on Net Sales under this Article 5 and the extent of any inaccuracy bearing on a Party's payment obligations hereunder. A copy of any report provided to the auditing Party by the accountant shall be given concurrently to the audited Party. The auditing Party may perform such an audit no more than [***]. The auditing Party shall be responsible for all costs and expenses incurred in performing any such audit unless the audit discloses at least a [***] shortfall, in which case the audited Party shall bear the full cost of the audit. If any such examination reveals an underpayment of royalties or that any Commercialization milestone payment contemplated in Section 5.3 was achieved by the corresponding milestone payment was not paid, then the audited Party shall promptly, and in any event within [***] Business Days following delivery of such audit report, pay the amount of the underpayment or the unpaid

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milestone payment to the other Party, together with interest on the amount owing calculated at a rate of [***] per annum form the date on which the amount owing was to be paid until the date of payment in full. If said examination of records reveals any overpayment of royalties, then the auditing Party shall credit the amount overpaid against the audited Party's future royalty payment(s). Notwithstanding the foregoing, if the audited Party disputes the findings of such examination in good faith, the audited Party may notify the auditing Party in writing and the matter shall be resolved in accordance with the dispute resolution procedure set forth in Section 11.7. The time for making any relevant payments due under this Section 5.11.2 shall be tolled during the pendency of any such dispute resolution, *provided*, that interest on any amount determined to be owing shall in any event accrue from the date on which such amount was to be paid.

6. CONFIDENTIAL INFORMATION AND PROPRIETARY RIGHTS.

6.1 Definition. "Confidential Information" means confidential or proprietary information, data or know-how, whether provided in written, oral, visual or other form, provided by one Party (the "Disclosing Party") to the other Party (the "Receiving Party") in connection with this Agreement, including, but not limited to, the terms of this Agreement and information relating to the Disclosing Party's existing or proposed research, development efforts, patent applications, business or products. Confidential Information shall not include any such information that: (i) is already known to the Receiving Party or its Affiliates (other than under an obligation of confidentiality) at the time of disclosure (as evidenced by written records of the Receiving Party); (ii) is or becomes generally available to the public other than through any act or omission of the Receiving Party or its Affiliates; (iii) is disclosed to the Receiving Party or its Affiliates by a Third Party who, to the Receiving Party's knowledge, had no separate nondisclosure obligation in respect of such information; or (iv) is independently discovered or developed by or on behalf of the Receiving Party or its Affiliates without the use of the Confidential Information of the Disclosing Party (as evidenced by written records of the Receiving Party). The terms of this Agreement shall be deemed Confidential Information of each Party.

6.2 Confidentiality. The Receiving Party shall keep in confidence all Confidential Information of the Disclosing Party with the same degree of care it employs to maintain the confidentiality of its own Confidential Information, but no less than a reasonable degree of care. The Receiving Party shall not use such Confidential Information for any purpose other than in performance of this Agreement or the exercise of its rights hereunder, or disclose the

same to any other Person other than to such of its own and its Affiliates' employees, agents, sublicensees and subcontractors who have a need to know such Confidential Information in connection with such permitted use. A Receiving Party shall advise any employee, agent, sublicensee or subcontractor who receives Confidential Information of such obligations, and the Receiving Party shall ensure (through enforcement of written agreements or otherwise) that all such employees, agents, sublicensees and subcontractors comply with such obligations as if they had been a Party hereto. The Receiving Party will be liable for breach of this Article 6 by any of its employees, agents, sublicensees and subcontractors.

6.3 Permitted Disclosure and Use. The Receiving Party shall have the right to disclose Confidential Information if, (i) in the reasonable opinion of the Receiving Party's legal

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counsel, such disclosure is required by any Applicable Laws (including the rules of any stock exchange), *provided* that, to the extent permitted pursuant to Applicable Law, the Receiving Party gives adequate prior notice of such disclosure to the Disclosing Party and the Receiving Party seeks confidential treatment of such Confidential Information to the maximum extent permitted by the relevant Governmental Authority; or (ii) a court, tribunal, administrative agency or other Governmental Authority orders such disclosure, *provided* that, to the extent permitted pursuant to Applicable Law, the Receiving Party gives adequate prior notice of such disclosure to the Disclosing Party to permit the Disclosing Party to intervene and to request protective orders or other confidential treatment. The Receiving Party will cooperate reasonably with any such efforts by the Disclosing Party. Furthermore, notwithstanding any other provision of this Agreement, either Party may disclose Confidential Information as necessary in connection with any actual or proposed financing, acquisition, merger, collaboration, licensing transaction or similar transaction, subject to confidentiality, or as necessary to obtain legal or financial advice from its attorneys, accountants and legal or financial advisors, *provided*, *however*, that the applicable Party shall limit such disclosure to the extent possible including the provision of redacted documents and *provided* further that the Person to whom such disclosure is made is subject to obligations of confidentiality to the Party making such disclosure that are no less stringent than those contained in this Article 6. The Receiving Party making any disclosure pursuant to the immediately preceding sentence will be responsible for the compliance by such Persons with the requirements of this Article 6 as though such Persons were the Receiving Party hereunder and shall be liable for any breach by such Persons of this Article 6. The Parties shall also be permitted to make disclosures consistent with, and pursuant to, Sections 11.1 and 11.2.

6.4 Return. Upon termination of this Agreement, the Receiving Party shall return or destroy all documents or other media containing Confidential Information of the Disclosing Party with the exception of one (1) copy for the sole purpose of monitoring and documenting the confidentiality obligations hereunder.

6.5 Remedies. Money damages will not be an adequate remedy if this Article 6 is breached and, therefore, either Party may, in addition to any other legal or equitable remedies, seek an injunction or other equitable relief against such breach or threatened breach without the necessity of posting any bond or surety.

6.6 Survival. This Article 6 shall survive the expiration or termination of this Agreement for a period of [***] years.

7. REPRESENTATIONS AND WARRANTIES.

7.1 Mutual Representations and Warranties. Mersana and Recepta each represents and warrants to the other as of the Effective Date, that:

7.1.1 Such Party (i) is duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction of its organization; (ii) has the requisite corporate power and authority and the legal right to conduct its business as now conducted and hereafter contemplated to be conducted; and (iii) has or will obtain all necessary licenses, permits, consents, or approvals from or by, and has made or will make all necessary notices to,

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all Governmental Authorities having jurisdiction over such Party, required for performance of this Agreement;

7.1.2 The execution, delivery and performance of this Agreement by such Party (i) are within the corporate power of such Party; (ii) have been duly authorized by all necessary or proper corporate action on the part of such Party; (iii) do not conflict with any provision of the organizational documents of such Party; (iv) does not, as of the Effective Date, violate any Applicable Laws or any order or decree of any court or Governmental Authority; and (v) will not violate or conflict with any terms of any indenture, mortgage, deed of trust, lease, agreement or other instrument to which such Party is a party, or by which such Party is bound or becomes bound during the Term;

7.1.3 This Agreement has been duly executed and delivered by such Party and constitutes a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms; and

7.1.4 No governmental authorization, consent, approval except Regulatory Approvals, license, registration, filing or exemption therefrom with any court or other Governmental Authority is or will be necessary for, or in connection with, the transaction contemplated by this Agreement or any other agreement or instrument executed in connection therewith.

7.2 Recepta Representations and Warranties. Recepta represents, warrants and covenants to Mersana that:

7.2.1 as of the Effective Date, (i) Recepta has not previously assigned, transferred, licensed, conveyed or otherwise encumbered its right, title and interest in the Recepta Patents or any component of the Recepta Know-How in a manner that precludes or is inconsistent with the license rights granted to Mersana pursuant to this Agreement, (ii) there are no Patents owned or Controlled by Recepta, other than the Recepta Patents, that would prevent Mersana or its sublicensees from Developing, manufacturing and/or Commercializing Licensed Products as set forth herein, and from exploiting the rights granted under Section 2.1.1, (iii) there are no pending claims, judgments or settlements affecting any of the Recepta Technology owned by Recepta and Recepta has received no written notice thereof, (iv) to Recepta's knowledge, there are no pending claims, judgments or settlements affecting any of the Recepta Technology otherwise Controlled by Recepta and Recepta has received no written notice thereof, and (v) to Recepta's knowledge, none of the foregoing contemplated by clauses (iii) or (iv) above is threatened;

7.2.2 with respect to any agreements or other instruments pursuant to which Recepta acquires its rights to the Recepta Patents and Recepta Know-How, Recepta will not knowingly commit any act or omission that would reasonably be expected to give rise to any Third Party right to terminate such agreements or other instruments and, with respect to the LICR License, shall exercise its rights and perform its obligations thereunder to the extent necessary to maintain such rights under the LICR Agreement in a manner consistent with the license rights granted to Mersana pursuant to this Agreement; *provided, however*, that in no event shall Recepta be in breach of this Section 7.2.2 by virtue of any breach under the LICR

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License or any other Third Party agreement to the extent such breach is directly attributable to any act or omission of Mersana or its Affiliate, sublicensee or subcontractor in respect of any Licensed Product; and

7.2.3 Recepta shall not exercise any right it may have to terminate the LICR License or otherwise amend the LICR License in a way that adversely affects Mersana's rights hereunder with respect to the Recepta Technology without the prior written consent of an officer of Mersana.

7.3 Mersana Representations and Warranties. Mersana represents and warrants to Recepta that:

7.3.1 as of the Effective Date, (i) Mersana has not previously assigned, transferred, exclusively licensed, conveyed or otherwise encumbered its right, title and interest in the Mersana Technology in a manner inconsistent with the licenses granted to Recepta under Sections 2.1.2 and 2.2.2, (ii) there are no pending claims, judgments or settlements affecting any of the Mersana Technology owned by Mersana and Mersana has received no written notice thereof, (iii) to Mersana's knowledge, there are no pending claims, judgments or settlements affecting any of the Mersana Technology otherwise Controlled by Mersana and Mersana has received no written notice thereof, and (iv) to Mersana's knowledge, none of the foregoing contemplated by clauses (ii) or (iii) above is threatened;

7.3.2 with respect to any agreements or other instruments pursuant to which Mersana acquires its rights to the Mersana Technology, Mersana will not knowingly commit any act or omission that would reasonably be expected to give rise to any Third Party right to terminate such agreements or other instruments and shall maintain such rights in a manner consistent with the license rights granted to Recepta pursuant to this Agreement. There are no Patents owned or Controlled by Mersana, other than the Mersana Patents, that would prevent Recepta or its sublicensees from exploiting the rights granted under Section 2.1.2 or 2.2.2; and

7.3.3 Mersana has utilized its own scientific, marketing and distribution expertise and experience to analyze and evaluate both the scientific and commercial value of the rights granted under this Agreement, and Mersana has entered into this Agreement based on its own independent assessment and evaluation.

7.4 Disclaimer of Warranty. Except for the express warranties set forth in this Article 7, nothing in this Agreement shall be construed as a representation or warranty by either Party (i) that any Licensed Product made, used, sold or otherwise disposed of under this Agreement is or will be free from infringement of patents, copyrights, trademarks or other intellectual property rights of any Third Party; (ii) regarding the effectiveness, value, safety, or non-toxicity of any technology; or (iii) that any Licensed Product will obtain Regulatory Approval or that any specific level of Net Sales will be achieved. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES AND EACH PARTY EXPRESSLY DISCLAIMS, WAIVES, RELEASES AND RENOUNCES ANY OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A

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PARTICULAR PURPOSE, AND ALL WARRANTIES ARISING FROM ANY COURSE OF DEALING OR PERFORMANCE OR USAGE OF TRADE.

8. INDEMNIFICATION.

8.1 Indemnification by Mersana. Subject to Section 8.3, Mersana shall indemnify, defend and hold harmless Recepta and its Affiliates and each of their officers, directors, shareholders, employees, successors and permitted assigns from and against all Third Party Claims, and pay all associated Losses, arising out of (i) Mersana's or its Affiliate's or its or their sublicensee's, distributor's, subcontractor's or its or their respective director's, officer's, employee's or agent's gross negligence or willful misconduct in performing any of its obligations under this Agreement, or otherwise in relation to its or their Development or Commercialization of the Licensed Products, (ii) any violation of Applicable Law in connection with the Development, Commercialization, manufacture, use, handling, storage, marketing, sale, distribution or other disposition of Licensed Products by Mersana, its agents, subcontractors or sublicensees (iii) any breach by Mersana of any of its representations, warranties or covenants under this Agreement, or (iv) any personal injury, death or property damage

resulting from the Development, Commercialization, manufacture, use, handling, storage, marketing, sale, distribution or other disposition of Licensed Products by Mersana, its Affiliates, its agents, subcontractors or sublicensees. Notwithstanding the preceding sentence, Mersana shall have no obligation with respect to Third Party Claims or associated Losses to the extent they are subject to Recepta's indemnification obligations pursuant to Section 8.2 or to the extent otherwise attributable to any of the circumstances set forth in clauses (i) through (iv) thereof.

8.2 Indemnification by Recepta. Subject to Section 8.3, Recepta shall indemnify, defend and hold harmless Mersana and its Affiliates and each of their officers, directors, shareholders, employee's, successors and permitted assigns from and against all Third Party Claims, and pay all associated Losses, to the extent arising out of (i) Recepta's or its Affiliate's or its or their sublicensee's, distributor's, subcontractor's or its or their respective director's, officer's, employee's or agent's gross negligence or willful misconduct in performing any of its obligations under this Agreement, or otherwise in relation to its or their Development or Commercialization of the Licensed Products, (ii) any violation of Applicable Law in relation to the Development, Commercialization, use, handling, storage, marketing, sale, distribution or other disposition of Licensed Products by Recepta, its agents, subcontractors or sublicensees, (iii) any breach by Recepta of any of its representations, warranties or covenants under this Agreement, or (iv) any personal injury, death or property damage resulting from the Development, Commercialization, manufacture, use, handling, storage, marketing, sale, distribution or other disposition of Licensed Products by Recepta, its Affiliates, its agents, subcontractors or sublicensees. Notwithstanding the preceding sentence, Recepta shall have no obligation with respect to Third Party Claims or associated Losses to the extent they are subject to Mersana's indemnification obligations pursuant to Section 8.1 or to the extent otherwise attributable to any of the circumstances set forth in clauses (i) through (iv) thereof.

8.3 Procedure for Indemnification.

8.3.1 Notice. Each Party ("Indemnified Party") will notify promptly the other Party ("Indemnifying Party") in writing if it becomes aware of a Claim (actual or potential)

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by any Third Party or any proceeding commenced by a Third Party (including any investigation by a Governmental Authority) (any of the foregoing, a "Third Party Claim") for which indemnification may be sought and will give such related information as the Indemnifying Party shall reasonably request; *provided*, *however*, that no failure or delay in giving such notice shall limit the Indemnified Party's right to indemnification hereunder except to the extent that the Indemnifying Party is prejudiced thereby.

8.3.2 Defense of Claim. The Indemnifying Party shall defend or control the defense of Third Party Claims. The Indemnifying Party shall be responsible for satisfying and discharging any award made to or settlement reached with the Third Party pursuant to the terms of this Agreement. The Indemnifying Party shall retain counsel reasonably acceptable to the Indemnified Party (such acceptance not to be unreasonably withheld, refused, conditioned or delayed) to represent the Indemnified Party and shall pay the fees and expenses of such counsel related to such proceeding. In any such proceeding, the Indemnified Party shall have the right to participate in, but not control, the defense of such proceeding at its own cost and expense, and shall have the right to retain its own counsel, at its own cost and expense. Neither Party shall settle any Third Party Claim without the prior written consent of the other Party, which consent shall not be unreasonably withheld, refused, conditioned or delayed. The Indemnified Party shall cooperate in all reasonable respects in the defense of such Third Party Claim, as requested by the Indemnifying Party. The Indemnifying Party shall not, without the written consent of the Indemnified Party (which consent shall not be unreasonably withheld, refused, conditioned or delayed), effect any settlement of any such Third Party Claim, unless such settlement includes an unconditional release of the Indemnified Party from all liability on such Claims. Notwithstanding the foregoing, if the Indemnifying Party notifies the Indemnified Party in writing that it does not intend to assume the defense of any Third Party Claim subject to indemnification hereunder in accordance with the foregoing or fails to assume the defense of any Third Party Claim at least [***] Business Days before any deadline the passing of which could adversely affect the outcome without responsive action by or on behalf of the Indemnified Party (or, if the Indemnifying Party receives less than [***] Business Days' notice of such deadline, if it fails to assume such defense as soon as practicable following receipt of notice), the Indemnified Party shall have the right to assume and control such defense and shall have the right to settle or compromise the same without the Indemnifying Party's consent, and the fees and expenses incurred by the Indemnified Party in connection therewith, including its reasonable legal fees and expenses, will be included in the indemnifiable Losses in connection with such Third Party Claim.

8.4 Insurance. During the Term of this Agreement, the Parties shall obtain and maintain at their sole cost and expense, an adequate liability insurance or self-insurance program (including product liability insurance) to protect against potential liabilities and risk arising out of the Development, manufacture and Commercialization of any Licensed Product and upon such terms (including coverages, deductible limits and self-insured retentions) as are customary in the biopharmaceutical industry in such Party's territory. The Party maintaining any such Third Party insurance coverage shall ensure that the other Party is named as an additional insured thereunder and shall provide a certificate evidencing such coverage to the other Party upon request.

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9. PATENTS.

9.1 Prosecution and Maintenance.

9.1.1 Recepta Patents. For so long as the license grants to Mersana set forth in Section 2.1.1 remain in effect, Recepta shall use reasonable efforts to, or, to the extent LICR has the right to conduct the following activities pursuant to the LICR License, shall use reasonable efforts to cause LICR to file, prosecute and maintain the Recepta Patents in such jurisdictions within the Territory as Mersana may specify in writing. Recepta shall keep, or, as applicable, shall cause LICR to keep, Mersana reasonably informed of the progress with regard thereto, and shall promptly provide, or, as applicable, shall cause LICR to provide, Mersana with all material correspondence, filings, notifications and other communications, relating to the preparation, filing, prosecution and

maintenance of such Recepta Patents in the Territory. Mersana shall have the right to comment on the preparation, filing, prosecution and maintenance of the Recepta Patents in the Territory and Recepta, as applicable, shall provide Mersana's comments to LICR; *provided*, *however*, that LICR or Recepta, as applicable, shall make the final determination with respect thereto after considering any such comments in good faith. Mersana will reimburse Recepta's out-of-pocket costs and expenses incurred after the Effective Date in connection with any of Recepta's contractual obligations to LICR relating to the LICR's prosecution and maintenance of the Recepta Patents in the Territory or, if mutually agreed in writing by the Parties and LICR, directly pay the relevant costs and expenses to LICR.

9.1.2 Mersana Patents. As between the Parties, Mersana is solely responsible for the filing, prosecution and maintenance of the Mersana Patents. For so long as the license grants to Recepta set forth in Section 2.1.2 remain in effect, Mersana shall use reasonable efforts to file, prosecute and maintain the Mersana Patents in the Recepta Territory. Recepta shall provide Mersana, at Mersana's sole cost and expense, all reasonably requested assistance in connection therewith. Mersana shall keep Recepta informed of all material issues and developments relating to the preparation, filing, prosecution and maintenance of such Mersana Patents in the Recepta Territory. Without limiting the foregoing, Mersana will provide Recepta with copies of all material correspondence, filings, notifications and other correspondence with the Brazilian National Institute of Industrial Property relating to the preparation, filing and maintenance of the Mersana Product Patents in the Recepta Territory and shall consider in good faith any comments that Recepta may have in relation thereto. In the event that (i) Mersana intends not to prosecute or maintain any Mersana Product Patent in the Recepta Territory or (ii) Mersana intends to abandon or otherwise cause or allow any Mersana Product Patent to be forfeited, and, in either case, one or more Valid Claims of such Patent Cover a Licensed Product in the Recepta Territory, then Mersana shall provide timely written notice to Recepta of such intention.

9.2 Notice of Patent Challenge. Each Party shall promptly, but in any event no later than [***] Business Days after receipt of notice of such action, notify the other Party in writing upon becoming aware of any re-examination, interference, opposition, nullity or similar actions, or challenges to the validity or enforceability of, or any alleged or threatened infringement by any Third Party of, either (i) the Recepta Patents in the Territory or (ii) the Mersana Patents in the Recepta Territory, in each case, with respect to the Field, or if such Party or any of their respective Affiliates or sublicensees shall be individually named as a defendant in

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a legal proceeding in the Territory by a Third Party alleging infringement or violation of such Third Party's Patents (any of the foregoing occurrences, a "Patent Challenge").

9.3 Patent Challenge Regarding Mersana Patents. As between the Parties, to the extent a Patent Challenge directly concerns any Mersana Patents in the Recepta Territory, Mersana shall have the first right, but not the obligation, to respond to, defend or prosecute any such Patent Challenge, including defending against any counter-claims of invalidity and unenforceability with respect to such Patents. If Mersana elects to pursue any such Patent Challenge, Mersana will be solely responsible for, and will have the full control of, the proceedings. In making its determination whether to take any action to prosecute any Patent Challenge involving any alleged or threatened infringement of the Mersana Patents in the Recepta Territory, Mersana may take into account the potential effect such action could have on the entirety of Mersana's patent portfolio and not solely the Mersana Patents in the Recepta Territory. If a Patent Challenge involves a Third Party claim of infringement against Recepta or its Affiliates or sublicensees involving the use, marketing or sale of the Licensed Products in the Recepta Territory and Mersana elects not to exercise its right to defend them against such an allegation, then Recepta may defend such Third Party Claim at its own expense and Mersana shall cooperate with Recepta at Recepta's request and expense and shall have the right to be represented by counsel selected by Mersana. In connection with any Patent Challenge relating to the Mersana Patents in the Recepta Territory: (i) the Party not responsible for the Patent Challenge will cooperate with the other Party ("Responsible Party") and its legal counsel, join in such suits as may be brought by the Responsible Party, and be available at the Responsible Party's reasonable request to be an expert witness or otherwise to assist in such proceedings at the Responsible Party's expense; (ii) the Responsible Party will keep the other Party and its counsel reasonably informed at all times as to the status of the Responsible Party's response or defense; (iii) legal fees and other costs and expenses of the Responsible Party associated with such response or defense shall be paid by the Responsible Party; (iv) legal fees and other costs and expenses associated with such response or defense incurred by the other Party at the Responsible Party's request shall be paid by the Responsible Party; and (v) any amounts recovered from Third Parties in connection with any such Patent Challenge shall be applied [***] to Recepta and [***] to Mersana, subject first to reimbursement of expenses of the Responsible Party.

9.4 Patent Challenge Regarding Recepta Patents.

9.4.1 As between the Parties, to the extent a Patent Challenge directly concerns the Recepta Patents in the Territory, Mersana shall have the first right, but not the obligation, to respond to, defend or prosecute any such Patent Challenge, including defending against any counterclaims of invalidity and unenforceability with respect to such Patents. In the event Mersana elects to do so, it will be solely responsible for and have the full control of the proceedings. In connection therewith: (i) Recepta will cooperate with Mersana and its legal counsel, join in such suits as may be brought by Mersana, and be available at Mersana's reasonable request to be an expert witness or otherwise to assist in such proceedings at Mersana's expense; (ii) Mersana will keep Recepta and its counsel reasonably informed at all times as to the status of Mersana's response or defense and Recepta shall have the right to participate in, but not control, any such proceeding with its own counsel at Recepta's sole cost and expense (except as provided in clause (iv) below); (iii) legal fees and other costs and

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expenses of Mersana, associated with such response or defense shall be paid by Mersana; (iv) legal fees and other costs and expenses associated with such response or defense incurred by Recepta at Mersana's request shall be paid by Mersana; and (v) any amounts recovered from Third Parties in connection with such response or defense shall be applied [***] to Recepta and [***] to Mersana, subject first to reimbursement of expenses of Mersana.

9.4.2 In the event that Mersana elects not to respond to, defend or prosecute any Patent Challenge that directly concerns the Recepta Patents in the Recepta Territory, or Mersana elects to abandon any such action, Mersana shall promptly notify Recepta of such election in writing. In such event, Recepta shall have the option to respond, defend or prosecute such Patent Challenge at Recepta's sole cost and expense, *provided* that Mersana shall cooperate with and provide assistance to Recepta at Recepta's expense, including by allowing Recepta to initiate or continue any such action in Mersana's name. Recepta shall keep Mersana informed of the status of such Patent Challenge and notify it promptly in writing of any judgment, settlement or other disposition thereof. If any amounts are recovered from any Third Party in connection with any such Patent Challenge which Recepta responds to, defends or prosecutes pursuant to this Section 9.4.2, Recepta shall first deduct its expenses from the amount of such recovery and then promptly pay Mersana an amount equal to the [***] of the remaining recovery amount.

9.5 Defense of Infringement Claims. The Party responsible for managing the defense against any Third Party claim of Patent infringement pursuant to Sections 9.3 or 9.4, as applicable, shall have the right to settle such claim on terms deemed appropriate by such Party, *provided*, *however*, that any such settlement must include a full and unconditional release from all liability of the other Party and may not adversely affect the rights of the other Party without such other Party's prior written consent (such consent not to be unreasonably withheld or delayed).

9.6 Biosimilars. Each Party shall promptly, but in any event no later than [***] Business Days after receipt of notice of such application, notify the other Party if it becomes aware of any application for regulatory approval of a biosimilar anywhere in the Territory where any Licensed Product is a reference product under such application. Mersana shall take the lead and be responsible for preparing and filing any responses with any Regulatory Authority and negotiating any patent resolution in connection with any such application as set forth in paragraphs 2 through 6 of Section 351(l) of the United States Public Health Service Act (42 U.S.C. § 262(l)(2)-(6)), or any foreign equivalent thereof and shall use Diligent Efforts in relation thereto. Recepta shall cooperate with Mersana's reasonable requests for assistance in connection therewith.

10. TERM AND TERMINATION.

10.1 Term. This Agreement shall come into effect on the Effective Date and continue until it is terminated in its entirety by either Party pursuant to Section 10.2 (such period, the "Term"). Effective upon the expiration of the Royalty Term for a Licensed Product with respect to any country outside the Recepta Territory, the license granted to Mersana pursuant to Section 2.1.1 with respect to such Licensed Product in such country shall automatically become fully paid-up and royalty-free. Effective upon the expiration of the Royalty Term in the Recepta

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Territory for a Licensed Product, the license granted to Recepta pursuant to Section 2.1.2 with respect to such Licensed Product shall automatically become fully paid-up and royalty-free.

10.2 Termination.

10.2.1 Convenience. Mersana may terminate this Agreement, in its entirety or a country-by-country, Licensed Product-by-Licensed Product basis with or without cause at any time by giving Recepta at least one hundred eighty (180) calendar days' prior written notice (if terminating this Agreement in its entirety) or forty-five (45) calendar days' prior written notice (if terminating this Agreement with respect to one or more countries); *provided*, *however*, that Mersana may not terminate this Agreement for convenience with respect to the Recepta Territory unless such termination is in connection with a termination of this Agreement in its entirety.

10.2.2 Material Breach.

(a) In the event of a material breach of this Agreement, the non-breaching Party may deliver notice of such breach to the breaching Party, such notice containing the material details of said breach to the extent known to the non-breaching Party. The breaching Party shall have, subject to Section 10.2.2(b), [***] Business Days to cure such breach [***] Business Days in the case of a Party's breach of its payment obligations). Subject to Section 10.2.2(b), if the Party receiving notice of breach fails to cure such breach within the [***] Business Day period or [***] Business Day period (as applicable), the Party originally delivering the notice may terminate this Agreement upon written notice to the other Party, *provided*, that if the breach applies only to a given country, the non-breaching Party may only terminate this Agreement with respect to such country and thereafter, in the case of a breach by Mersana, the Territory shall no longer include the country in which such termination has occurred.

(b) If a Party gives notice of breach under Section 10.2.2(a) and the other Party, acting in good faith, disputes in writing prior to the end of the applicable cure period whether such notice was proper, then the issue of whether a material breach has occurred shall be resolved in accordance with Section 11.7. If as a result of such dispute resolution process it is determined that the notice of breach was proper, then such notice shall be deemed to have been effective if the breaching Party fails thereafter to cure such breach in accordance with the determination made in the resolution process within the applicable cure period following such determination. If as a result of such dispute resolution process it is determined that the notice of breach was improper, then no such notice shall be deemed to have been effective and this Agreement shall remained in effect. All of the terms and conditions of this Agreement shall remain in full force and effect during the pendency of such dispute resolution process.

10.2.3 Bankruptcy. Either Party may terminate this Agreement in its entirety immediately upon written notice, if the other Party makes an assignment for the benefit of creditors, or a receiver, trustee in bankruptcy or similar officer is appointed to take charge of any or all of the other Party's property, or the other Party seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition or comparable proceeding or such a

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proceeding is instituted against the other Party and is not dismissed within [***] Business Days, or the other Party becomes insolvent or, without a successor, dissolves or liquidates.

10.2.4 Patent Challenge.

(a) Recepta may terminate this Agreement, with respect to any Licensed Product in a given country, immediately upon the issuance of written notice to Mersana, if Mersana or any of its Affiliates performing [***].

(b) Mersana may terminate this Agreement with respect to any Licensed Product in the Recepta Territory immediately upon the issuance of written notice to Recepta if Recepta or any of its Affiliates performing [***].

10.3 Effects of Termination.

10.3.1 Termination by Recepta or by Mersana for Convenience. In the event that this Agreement is terminated by Recepta pursuant to the terms of this Agreement or by Mersana pursuant to Section 10.2.1, (i) all rights and licenses on a [***] basis granted to Mersana, as well as all sublicenses granted under this Agreement by Mersana and/or any of its sublicensees, shall immediately terminate; however, Mersana and its sublicensees shall be entitled to sell, for a period of [***] months after the effective date of termination, any inventories of Licensed Products in the Field in the Territory that are on-hand as of the effective date of termination, subject to Mersana's payment of royalties to Recepta in respect of such sales, in accordance with Article 5 hereof and (ii) except as otherwise contemplated in Section 10.3.2(a), all of the rights and licenses granted to Recepta under Sections 2.1.2, 2.2.2, 2.3.3 and 2.4.2, including any sublicenses already granted by Recepta pursuant to Section 2.2.2, shall remain in effect, subject to Recepta's ongoing obligations to make royalty payments in accordance with Sections 5.5 through 5.7 and subject to Section 5.8.2 which, for clarity, shall also remain in effect. In addition, Recepta may, at its option, offset any amounts due and payable to Mersana in respect of the aforementioned royalties by the amount of any damages awarded to Recepta by the arbitrator pursuant to Section 11.7.

10.3.2 Termination by Mersana.

(a) In the event that this Agreement is terminated by Mersana either (i) in respect to the Recepta Territory pursuant to Sections 10.2.2, 10.2.3 or 10.2.4(b) or (ii) in its entirety pursuant to Section 10.2.1 and following such termination no sales of any Licensed Product by or for Recepta or Mersana or any of their respective Affiliates or sublicensees have been made for [***] month period (the last day of such period, the "Cessation Date"), then (1) all rights and licenses granted to Recepta in respect of the Mersana Technology, Promotional Materials and ROW Trademarks, as well as all sublicenses granted under this Agreement by Recepta and/or any of its sublicensees in respect of the foregoing, shall immediately terminate in respect of all Licensed Products as of the effective date of termination (in the case of a termination contemplated by the foregoing clause (i)) or as of the Cessation Date (in the case of a termination contemplated by the foregoing clause (ii)), (2) following the effective date of termination (in the case of a termination contemplated by the foregoing clause (i)) or following the Cessation Date (in the case of a termination contemplated by the foregoing

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clause (ii)), if requested by Mersana, at its option, Recepta will either (x) in the case of a termination contemplated by the foregoing clause (i), promptly assign or transfer, or cause to be assigned and transferred to Mersana (or if not so assignable, Recepta shall use reasonable efforts to make available to Mersana the benefits of), all Regulatory Approvals specifically relating to all Licensed Products in the Recepta Territory, together with all related filings with any Regulatory Authority and any other supporting documentation and dossier submissions in respect of such Licensed Products or (y) in the case of a termination contemplated by the foregoing clause (ii), promptly withdraw or otherwise terminate the effectiveness of all Regulatory Approvals specifically relating to all Licensed Products in the Recepta Territory and transfer to Mersana all related filings with any Regulatory Authority and any other supporting documentation and dossier submissions in respect of such Licensed Products, and (3) following the effective date of termination (in the case of a termination contemplated by the foregoing clause (i)) or following the Cessation Date (in the case of a termination contemplated by the foregoing clause (ii)), if requested by Mersana, Recepta shall promptly cause all of Recepta's rights, title and interest in and to the Recepta Trademarks (other than any corporate names or logos) and Promotional Materials (including all translations thereof) specifically relating to the Licensed Products in the Recepta Territory to be transferred and assigned solely and exclusively to Mersana or Mersana's designee and use reasonable efforts to take such further action as Mersana determines is reasonably necessary for ownership and Control thereof to vest solely and exclusively in Mersana or Mersana's designee(s). In the case of a termination by Mersana pursuant to Section 10.2.2 or 10.2.4(b), such transfers and other actions contemplated by the immediately preceding sentence shall be at Recepta's sole cost. Otherwise, Mersana shall promptly reimburse Recepta for all of the direct, out-of-pocket costs and expenses incurred by Recepta (x) in connection with obtaining any Regulatory Approvals which Mersana requests to have withdrawn or terminated pursuant to the foregoing clause (2), including all fees paid by Recepta to any Regulatory Authority in connection with any application for Regulatory Approval with respect to any Licensed Product in the Recepta Territory and (y) in connection with obtaining or maintaining any Recepta Trademarks or Promotional Materials which Mersana requests to have assigned or transferred to it pursuant to the foregoing clause (3). For clarity, Mersana shall not be obligated to reimburse Recepta pursuant to this Section 10.3.2(a) for (A) any other costs or expenses of Recepta incurred in connection with any Development activities undertaken by Recepta, or undertaken by Mersana and reimbursed by Recepta, in relation thereto, (B) any fees associated with actually effecting any such transfers of filings, approvals, trademarks or rights, or (C) any associated legal fees or expenses. Notwithstanding the foregoing, Recepta and its existing sublicensees shall be entitled [***] by Mersana pursuant to any of the Sections referenced in clause (ii) above, any inventories of Licensed Products in the Field in the Recepta Territory that are on-hand with Recepta or its sublicensees as of the effective date of termination, as well as any quantities of Licensed Product supplied pursuant to Section 10.3.4, subject to Recepta's payment of royalties to Mersana in respect of such sales, in accordance with Sections 5.5 through 5.7 and subject to Section 5.8.2 which, for clarity, shall also remain in effect.

(b) In the event of any termination of this Agreement by Mersana pursuant to Sections 10.2.2, 10.2.3, or 10.2.4(b), all of the rights and licenses granted to Mersana under Sections 2.1.1 and 2.2.1, including any sublicenses already granted by Mersana pursuant to Section 2.2.1, shall remain in effect, subject to Mersana's ongoing obligations to make the milestone and royalty payments in accordance with Sections 5.2, 5.3, 5.4, 5.6 and 5.7

and subject to Section 5.8.1, all of which, for clarity, shall also remain in effect; *provided*, *however*, that to the extent Mersana is obligated to pay any such milestone and/or royalty payments directly to LICR pursuant to the terms of the Three-Party Agreement, Mersana shall make such payments directly to LICR in accordance with such terms and Mersana shall not have any further obligation hereunder or otherwise to make such payments to Recepta. In addition, Mersana may, at its option, offset any amounts due and payable to Recepta in respect of the aforementioned milestones and royalties by the amount of any damages awarded to Mersana by the arbitrator pursuant to Section 11.7.

10.3.3 Partial Termination. For the avoidance of doubt, if Recepta exercises its right to terminate this Agreement pursuant to Section 10.2.2 or Section 10.2.4(a) due to Mersana's breach of this Agreement or challenge to Recepta's Patents, or Mersana terminates this Agreement pursuant to Section 10.2.1, in respect of one or more (but not all) countries in the Territory, this Agreement shall terminate only with respect to those specific country(ies) such that, thereafter, the Territory shall no longer include the country in which such termination has occurred.

10.3.4 Continued Supply Rights.

(a) If this Agreement terminates in its entirety or in respect of any Licensed Product(s) in respect of which Regulatory Approval has been received in the Recepta Territory, other than pursuant to a termination by Mersana pursuant to Sections 10.2.2, 10.2.3, or 10.2.4(b), and one or more of the Licensed Product(s) affected by such termination will not be manufactured by or for Mersana or its Affiliates or sublicensees for Commercialization anywhere outside the Recepta Territory following such termination, then (i) Mersana shall discuss in good faith with Recepta the terms under which it might continue to supply Recepta or its designated sublicensee with such Licensed Product(s) for sale to end user customers in the Recepta Territory, on terms as close as reasonably possible to those contemplated by Section 3.3.2, it being understood that (a) Mersana may not Control all of the intellectual property rights necessary to manufacture the Licensed Products and shall have no obligation to develop or acquire any intellectual property rights in order to arrange for such manufacture and (b) in no event shall Mersana be required, as a condition of such supply arrangement, to transfer or otherwise disclose (or to authorize the transfer or disclosure of) any Mersana Technology to a Third Party not already in possession of such Mersana Technology. Such discussions shall begin on the date Mersana or Recepta, as applicable, gives effective notice of termination and, unless the Parties agree otherwise or a supply arrangement is sooner agreed to in writing, shall end on the effective date of termination if Mersana is the terminating Party or [***] calendar days after the effective date of termination if Recepta is the terminating Party. In addition, following any such termination, Mersana shall use reasonable efforts to supply, or cause to be supplied, to Recepta or its designated sublicensee, for a purchase price equal to Mersana's cost, a quantity of Licensed Product equal to Recepta's (or such sublicensee's) forecasted requirements for the [***] period following the effective date of such termination.

(b) If this Agreement terminates in its entirety or in respect of any Licensed Product(s) in respect of which Regulatory Approval has been received in the Recepta Territory, other than pursuant to a termination by Mersana pursuant to Sections 10.2.2,

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10.2.3, or 10.2.4(b), and one or more of the Licensed Product(s) affected by such termination will continue to be manufactured by or for Mersana or its Affiliates or sublicensees for Commercialization anywhere outside the Recepta Territory following such termination, then Recepta shall be entitled to continue to receive supply of such Licensed Product(s) pursuant to and in accordance with any Supply Agreement then in effect or, if no such Supply Agreement is then in effect, then Section 3.3.2 hereof shall remain in effect in relation to such Licensed Product(s) following such termination and Recepta shall be entitled to obtain supply of such Licensed Product(s) under any Supply Agreement entered into pursuant thereto after termination.

(c) During the Royalty Term for the Recepta Territory, Recepta's Net Sales received pursuant to sales or transfers of Licensed Products by Recepta following termination will be subject to royalty payments as set forth in Sections 5.5 through Section 5.7 and subject to Section 5.8.2 all of which, for clarity, shall remain in effect. Thereafter, Recepta's license under the Mersana Technology pursuant to Section 2.1.2 shall automatically become royalty-free and fully-paid upon the expiration of the Royalty Term in the Recepta Territory.

10.4 Availability of Cell Lines. In the event of any termination of this Agreement in its entirety by Mersana pursuant to Section 10.2.1 or by Recepta pursuant to Sections 10.2.2, 10.2.3 or 10.2.4(a), within [***] Business Days after Recepta's written request, Mersana will make available to Recepta and extend to Recepta all necessary rights to use, without charge, any new cell lines owned or Controlled by Mersana as of the effective date of termination which are necessary or useful for the development and/or manufacture of the Antibody, subject to any restrictions or limitations set forth in any Third Party agreements governing the transfer or use or such cell lines. Such assistance may include, but will not be limited to, executing such agreements as may be necessary to release Mersana's rights to such cell lines under Mersana's agreements with its Third Party manufacturers. For the avoidance of doubt, Recepta shall be responsible for any reasonable and documented costs incurred by Mersana in connection with the storage and/or maintenance of the cell line(s) until such time as Recepta assumes responsibility for such storage and/or maintenance.

10.5 Accrued Rights; Surviving Obligations. Except as provided elsewhere, termination or expiration of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of any Party prior to such termination or expiration. Such termination or expiration shall not relieve any Party from obligations which are expressly or by implication intended to survive termination or expiration of this Agreement, including, but not limited to, Articles 1 and 6 (but only for the [***] specified in Section 6.6), and Sections 2.4, 2.5, 4.4, 4.5, 5.9, 5.10, 5.11, 7.4, 8.1-8.3, 9.3, 9.4 (but only for so long as the license granted to Mersana under Section 2.1.1 remains in effect), 9.5, 10.3, 10.4, 11.1, 11.2, 11.4, 11.5, 11.7-11.19 and this Section 10.5. Termination or expiration of this Agreement shall not affect or prejudice any right of either Party to receive payments due hereunder or for which the event giving rise to such payment obligation has occurred prior the effectiveness of such termination or expiration (which, in the case of the payment contemplated by Section 5.1 is the execution and delivery of this Agreement by both Parties) and shall not preclude or hinder the terminating Party from also bringing, amending or pursuing an action against the other Party for damages and all other available legal and equitable remedies, subject to Section 11.7. In addition, Mersana's obligations pursuant to Sections 5.2, 5.3, 5.4, 5.6 and 5.7 shall, subject to Section 5.8.1, survive

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

and continue in accordance with their terms following any termination or expiration of this Agreement in respect of Mersana's or any of its Affiliates' or licensees' continued Development or Commercialization of any Licensed Product, the Development, manufacture, use or Commercialization of which by Mersana or any of its Affiliates or sublicensees prior to the effective time of termination or expiration of this Agreement utilized any Recepta Know-How.

11. MISCELLANEOUS.

11.1 Publications. As between the Parties, and except for any required filings with any Regulatory Authority pursuant to a Party's obligations hereunder to obtain Regulatory Approval in any jurisdiction, Mersana shall have the sole and exclusive right, but not the obligation, to make any publication in respect of the results arising out of Development of Licensed Products and Recepta shall make no such publication without the prior written consent of Mersana. Without limiting the preceding sentence, if Recepta wishes to make such a publication, then it will submit the proposed publication to Mersana at least [***] calendar days prior to the intended date of publication so that Mersana may, within [***] calendar days after its receipt of such proposed publication, identify to Recepta any of Mersana's Confidential Information contained in the proposed publication. Recepta shall withhold publication of any of information timely identified to Recepta as Mersana's Confidential Information for a period of up to [***] calendar days to allow for the filing of patent applications or the taking of such measures as may be appropriate to preserve proprietary rights in and the confidentiality of the information in the material being submitted for publication or presentation (including withholding such publication). By agreement of the Parties, this period may be further extended. The Parties will each comply with standard academic practice regarding authorship of scientific publications and recognition of contribution of other parties in any such publications or presentations.

11.2 Public Announcements. Except as may be expressly permitted under this Section 11.2 or mandated by Applicable Laws or the rules of any stock exchange, neither Party will make any public announcement of any information regarding this Agreement without the prior written consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed. Once any statement is approved for disclosure by the Parties, either Party may make a subsequent public disclosure containing the same information disclosed in such prior public announcement without further approval of the other Party. Notwithstanding the above, the Parties shall issue the joint press release attached hereto as Exhibit 2 on the Effective Date.

11.3 No Debarred Personnel. Each Party agrees that it and its sublicensees shall not use, during the Term of this Agreement, the services of any employee, consultant, contractor or clinical investigator that has been debarred by the FDA or any other Governmental Authority or that is the subject of debarment proceedings by the FDA or any other Governmental Authority. If a Party becomes aware that it or its sublicensees has breached the foregoing obligation, it will immediately notify the other Party in writing and provide full details of the circumstances and extent of such breach.

11.4 Relationship of the Parties. Each Party shall bear its own costs incurred in the performance of its obligations hereunder without charge or expense to the other except as

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expressly provided in this Agreement. Neither Party shall have any responsibility for the hiring, termination or compensation of the other Party's employees or for any employee benefits of such employee. No employee or representative of a Party shall have any authority to bind or obligate the other Party to this Agreement in any manner whatsoever, or to create or impose any contractual or other liability on the other Party without said Party's approval. For all purposes, the Parties' legal relationship under this Agreement to each other shall be that of independent contractor. This Agreement is not a partnership agreement and nothing in this Agreement shall be construed to establish a relationship of partners or joint venturers between the Parties.

11.5 Registration of this Agreement. To the extent, if any, that either Party concludes in good faith that it or the other Party is required to file or register this Agreement or a notification thereof with any Governmental Authority, such Party shall inform the other Party thereof. If both Parties jointly agree that either Party is required to submit or obtain any such filing, registration or notification, they shall cooperate (Mersana's cost and expense) in such filing, registration or notification and shall execute all documents reasonably required in connection therewith. In such filing, registration or notification, the Parties shall request confidential treatment of sensitive provisions of this Agreement, to the extent permitted by Applicable Law. The Parties shall promptly inform each other as to the activities or inquiries of any such Governmental Authority relating to this Agreement, and shall reasonably cooperate to respond to any request for further information therefrom on a timely basis. Mersana shall be responsible for all costs and expenses associated with any such filings or requirements.

11.6 Force Majeure. The occurrence of an event which materially interferes with the ability of a Party to perform its obligations or duties hereunder which is not within the reasonable control of the Party affected or any of its sublicensees, and which could not with the exercise of Diligent Efforts have been avoided ("Force Majeure Event"), including, but not limited to, war, rebellion, earthquake, fire, accident, strike, riot, civil commotion, act of God, inability to obtain raw materials, delay or errors by shipping companies or change in Applicable Law, shall not excuse such Party from the performance of its obligations or duties under this Agreement, but shall merely suspend such performance during the Force Majeure Event. The Party subject to a Force Majeure Event shall promptly notify the other Party of the occurrence and particulars of such Force Majeure Event and shall provide the other Party, from time to time, with its best estimate of the duration of such Force Majeure Event and with notice of the termination thereof. The Party so affected shall use Diligent Efforts to avoid or remove such causes of non-performance as soon as is reasonably practicable. Upon termination of the Force Majeure Event, the performance of any suspended obligation or duty shall without delay recommence. The Party subject to the Force Majeure Event shall not be liable to the other Party for any damages arising out of or relating to the suspension or termination of any of its obligations or duties under this Agreement by reason of the occurrence of a Force Majeure Event, *provided* such Party complies in all material respects with its obligations under this Section 11.6.

11.7 Dispute Resolution. In the event of any dispute, controversy or claim hereunder arising out of or relating to this Agreement, either Party may, on [***] Business Days written notice to the other Party, initiate binding arbitration in accordance with the then-current rules of the ICC governing the arbitration of commercial disputes. The Parties shall select a mutually acceptable arbitrator within [***] Business Days after the request of the Party invoking

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this dispute resolution procedure. If the Parties are unable to agree upon an arbitrator, the ICC shall select a qualified, independent arbitrator. Such arbitration will be held in New York, New York. The decision of the arbitrator will be final and binding on the Parties. The prevailing Party may enforce any arbitration decision or award exclusively in the federal and state courts in the State of New York, New York, USA. Notwithstanding the foregoing, either Party may seek injunctive, equitable or similar relief (without the requirement of arbitration) exclusively in any federal and state courts in the State of New York, New York, USA.

11.8 Governing Law. This Agreement shall be construed, and the respective rights of the Parties determined, according to the substantive law of New York without regard to the provisions governing conflict of laws, except matters of intellectual property law, which shall be determined in accordance with the intellectual property laws relevant to the intellectual property in question. The United Nations Convention on the International Sale of Goods shall not apply to this Agreement.

11.9 Attorneys' Fees and Related Costs. In the event that any legal proceeding is brought to enforce or interpret any of the provisions of this Agreement, the prevailing Party shall be entitled to recover its reasonable attorneys' fees, court costs and expenses of litigation whether or not the action or proceeding results in a final judgment.

11.10 Assignment. This Agreement may not be assigned or transferred by either Party, in whole or in part, whether voluntarily or by operation of law, without the prior written consent of the other Party; *provided* that either Party may assign this Agreement, in whole or in part, to any of its Affiliates if such Party guarantees the performance of this Agreement by such Affiliate; and *provided further* that either Party may assign this Agreement to a successor to all or substantially all of the business or assets of such Party to which this Agreement relates, whether by merger, sale of stock, sale of assets or other similar transaction. Any assignment in violation of this provision is void and without effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, their permitted successors, legal representatives and assigns. In the event that Recepta assigns or transfers any of the Recepta Technology to a Third Party, Recepta shall impose on such assignee or transferee such obligations as are necessary so that Mersana retains and obtains all of the rights to which it is entitled with respect to such Recepta Technology under this Agreement.

11.11 Notices. All demands, notices, consents, approvals, reports, requests and other communications hereunder must be in writing, in English, and will be deemed to have been duly given only if delivered personally, by mail (first class, postage prepaid), or by overnight delivery using a globally-recognized carrier, to the Parties at the following addresses:

Mersana:
Mersana Therapeutics, Inc.
840 Memorial Drive
Cambridge, MA 02139
USA
Attn: Chief Business Officer

Recepta:
Recepta Biopharma, S.A.
Rua Tabapuã, 1123 conj 36
Itaim Bibi - São Paulo, SP
CEP 04533 - 014
Brazil
Attn: CEO

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with a copy to:
Gunderson Dettmer Stough Villeneuve
Franklin and Hachigian, LLP
One Marina Park Drive, Suite 900
Boston, MA 02210
USA
Attn: Timothy H. Ehrlich, Esq.

with a copy to:
Mayer Brown LLP

1221 Avenue of the Americas
New York, NY 10020
USA
Attn: Reb D. Wheeler

or to such other address as the addressee shall have last furnished in writing in accord with this provision. All notices shall be deemed effective upon receipt by the addressee.

11.12 Severability. If any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect, that provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.

11.13 Headings. The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

11.14 Waiver. No waiver of any term or condition of this Agreement shall be effective unless set forth in a written instrument duly executed by or on behalf of the waiving Party. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or

construed as a waiver of the same or any other term or condition of this Agreement on any prior, concurrent or future occasion. Except as expressly set forth in this Agreement, all rights and remedies available to a Party, whether under this Agreement or afforded by Applicable Law or otherwise, will be cumulative and not in the alternative to any other rights or remedies that may be available to such Party.

11.15 Entire Agreement. This Agreement (including any exhibits or schedules hereto), together with the Three-Party Agreement, constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all previous agreements and understandings between the Parties, whether written or oral, including, but not limited, to all proposals, negotiations, conversations, letters of intent, memoranda of understanding or discussions, between the Parties relating to the subject matter of this Agreement and all past dealing or industry custom.

11.16 Modification. This Agreement may be altered, amended or changed only by a writing making specific reference to this Agreement and the clause to be modified, which amendment is signed by duly authorized representatives of Mersana and Recepta.

11.17 No Third Party Beneficiaries. None of the provisions of this Agreement shall be for the benefit of or enforceable by any Third Party, including, but not limited to, any creditor of either Party hereto.

11.18 Ambiguities. This Agreement shall be deemed to have been drafted jointly by both Parties; and ambiguities, if any, shall not be construed against either Party, irrespective of which Party may have actually drafted the ambiguous provision.

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11.19 Counterparts. This Agreement may be executed in counterparts, each of which, when executed, shall be deemed to be an original and all of which together shall constitute one and the same document.

[Remainder of Page Intentionally Left Blank]

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

IN WITNESS WHEREOF, Mersana and Recepta, by their duly authorized officers, have executed this Agreement as of the Effective Date.

MERSANA THERAPEUTICS, INC.		**RECEPTA BIOPHARMA S.A.**	
By:	/s/ Eva M. Jack	By:	/s/ José Fernando Perez
Name:	Eva M. Jack	Name:	José Fernando Perez
Title:	Chief Business Officer	Title:	President

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

EXHIBIT 1

RECEPTA PATENTS

No.	Country Code	Filing Type	Application Number	Filing Date	Patent/publication Number	Issue Date	Status	Title	Inventors
1.	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
2.	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
3.	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
4.	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
5.	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
6.	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
7.	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
8.	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	

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No.	Country Code	Filing Type	Application Number	Filing Date	Patent/publication Number	Issue Date	Status	Title	Inventors
9.	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
10.	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
11.	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
12.	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
13.	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
14.	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
15.	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	

EXHIBIT 1 TO LICENSE, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

EXHIBIT 2

JOINT PRESS RELEASE

[Please see attached]

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CONFIDENTIAL

EXECUTION VERSION

AGREEMENT REGARDING LICR TECHNOLOGY

This Agreement Regarding LICR Technology ("Agreement"), effective as of July 9, 2015, is by and between Ludwig Institute for Cancer Research, a Swiss not-for-profit entity with a principal office at Stadelhoferstrasse 22, 8001 Zurich, Switzerland ("LICR"), Recepta Biopharma S.A., a Brazilian corporation with a principal office at Rua Tabapuã, 1123 conj 36, Itaim Bibi, São Paulo, SP, CEP 04533 - 014, Brazil ("Recepta") and Mersana Therapeutics, Inc., a Delaware corporation with a principal office at 840 Memorial Drive, Cambridge, MA 02139 ("Mersana"). LICR, Recepta and Mersana are collectively referred to herein as the "Parties" and each individually as a "Party".

WHEREAS LICR and Recepta entered into that certain Research, Development and License Agreement dated as of October 10, 2006 and amended on February 14, 2012 and April 10, 2012 (as amended, the "LICR Agreement"), providing for the license of certain LICR Technology (as defined in the LICR Agreement) by LICR to Recepta as set forth therein;

WHEREAS, certain of the LICR Technology that relates to the humanized antibody NaPi2b is referred to in the LICR Agreement as "[***]" (such LICR Technology, the "[***] Technology");

WHEREAS, Recepta is planning to license certain rights to Mersana, including, without limitation, a sublicense of the [***] Technology licensed by LICR to Recepta under the LICR Agreement, pursuant to the License, Development and Commercialization Agreement in the form attached hereto as Exhibit A (the "Sublicense Agreement");

WHEREAS, the Parties recognize that the Sublicense Agreement will be beneficial to the Parties, and that the Parties desire that Recepta and Mersana execute the Sublicense Agreement; and

WHEREAS, the Parties desire to enter into this Agreement to, among other things, provide for certain rights and assurances to Recepta and Mersana that Recepta and Mersana will receive and continue to enjoy all the rights and licenses granted to them, respectively, under the LICR Agreement and the Sublicense Agreement in relation to the [***] Technology.

NOW THEREFORE, the Parties hereby agree as follows:

1. Preservation of License Rights. In the event that (i) the LICR Agreement is terminated for any reason and (ii) Recepta thereupon ceases to possess a license to, and does not otherwise control, the [***] Technology or any portion thereof, such that Mersana's sublicense of the [***] Technology (or such portion thereof) under the Sublicense Agreement is no longer valid, then, in each such case, notwithstanding anything to the contrary contained in the LICR Agreement, the Parties agree that, at the option of Mersana, on written notice to LICR and Recepta (and provided that Mersana is not in breach of any of its obligations under the Sublicense Agreement): (a) subject to the foregoing and to the remaining provisions of this Agreement, including clause 1(c), below, LICR shall, and hereby does, grant a direct right and license to Mersana with respect to the [***] Technology (or such portion thereof), on the terms of the LICR Agreement relevant to the [***] Technology, which license shall be reflected in a written agreement reflecting such terms that LICR and Mersana agree to promptly prepare and execute following such election on the part of Mersana; (b) without prejudicing any rights or remedies Mersana may have as a result of such termination of the LICR Agreement, Mersana shall have no further obligations to Recepta under Article 9 of the Sublicense Agreement with respect to the [***] Technology; (c) if such termination of the LICR Agreement is pursuant to Section 8.2(b) thereof, as a result of Recepta's material

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breach, then, notwithstanding anything in the Sublicense Agreement to the contrary, Mersana shall pay all amounts owing to Recepta in respect of milestones and royalties accruing under the Sublicense Agreement after the effective date of such termination to LICR directly and Mersana shall have no obligation under the Sublicense Agreement or otherwise to pay such amounts to Recepta; and (d) LICR, Recepta and Mersana shall take such further actions as are reasonably necessary to carry out the intent of this Agreement, including without limitation the preservation of rights and licenses granted to Mersana under the Sublicense Agreement. For clarity, LICR shall look only to Recepta with respect to the events giving rise to any termination of the LICR Agreement and Mersana shall have no liability to LICR in connection therewith.

2. Patent Prosecution and Infringement Claims.

a. LICR agrees that it will prepare, file, prosecute and maintain LICR Patents (as defined in the LICR Agreement) comprising the [***] Technology in all jurisdictions as Mersana or Recepta may specify in writing, at Mersana's expense, subject to Section 4.3(b) of the LICR Agreement. The parties agree that Mersana may elect to reimburse LICR for such expenses directly, in which case Mersana shall not be obligated to reimburse Recepta pursuant to Section 9.1.1 of the Sublicense Agreement for any costs or expenses in relation to LICR's conduct of such activities that are reimbursed directly by Mersana, but Mersana shall notify Recepta in writing of all such expenses and reimbursements thereof that it makes to LICR.

b. As used in this Agreement, "Infringement Claims" means any nullity actions or declaratory judgment actions involving, or any alleged or threatened infringement of, any patent rights comprising the [***] Technology licensed to Recepta under the LICR Agreement or misappropriation of intellectual property comprising such patent rights, or any action in which any Party or any of such Party's respective affiliates shall be individually named as a defendant in a legal proceeding by a third party alleging infringement of any such patent rights or misappropriation of any such intellectual property, in each case that are brought anywhere in the world with respect to the Field (as defined in the Sublicense Agreement) while the Sublicense Agreement is in effect.

c. Notwithstanding anything in the LICR Agreement to the contrary, in the event of any Infringement Claims, LICR shall not exercise its rights under Sections 4.5(b)(ii) or 4.5(b)(iii) of the LICR Agreement to take appropriate action against any person directly or contributorily infringing the

relevant patent rights unless neither Mersana nor Recepta responds to, defends or prosecutes such Infringement Claim as provided in Section 9.4 of the Sublicense Agreement.

d. Notwithstanding anything in the LICR Agreement to the contrary, in the event Mersana responds to, defends or prosecutes such Infringement Claim as provided in Section 9.4 of the Sublicense Agreement: (i) LICR will cooperate with Mersana and its legal counsel, join in such suits as may be brought by Mersana, and be available at Mersana's reasonable request to be an expert witness or otherwise to assist in such proceedings at Mersana's expense; (ii) legal fees and other costs and expenses of Mersana associated with such response or defense shall be paid by Mersana; (iv) legal fees and other costs and expenses associated with such response or defense incurred by LICR at Mersana's request shall be paid by Mersana; and (v) any amounts recovered from Third Parties in connection with such response or defense shall be applied as set forth in the Sublicense Agreement. Mersana shall pay, or, if applicable, reimburse Recepta or LICR for, any amounts that may be owing to [***] (as defined below) or [***] (as defined below) by virtue of their participation or cooperation in relation to any Infringement Claim as requested by Mersana.

3. Status of LICR Agreement; Relationship to Sublicense Agreement.

a. LICR and Recepta each hereby represent and warrant that, as of the Effective Date, (i) the LICR Agreement is in full force and effect, (ii) except as set forth in the Section 3(b) below,

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LICR and Recepta are in full compliance with all of the terms and conditions of the LICR Agreement and (iii) the execution, delivery and performance of this Agreement and the Sublicense Agreement by Recepta, shall not constitute a breach of the LICR Agreement.

b. The Parties acknowledge and agree that as of the Effective Date, one or more of the Project Development Milestones (as defined in the LICR Agreement) listed in Section 2.4 of the LICR Agreement have not been achieved as contemplated in the LICR Agreement. Any failure to achieve the Project Development Milestones for any reason is not now and will not in the future be deemed a breach of the LICR Agreement and LICR hereby waives any and all claims for damages or any other remedies it may have against Recepta and/or Mersana, whether or not now existing, arising out of any such failure. LICR agrees that (i) Mersana's performance of the Sublicense Agreement shall be deemed to satisfy Recepta's diligence obligations in respect of the [***] Antibody under Section 2.4 of the LICR Agreement and otherwise and (ii) Recepta's delivery to LICR of such development plans as Mersana provides to Recepta from time to time under the Sublicense Agreement shall satisfy Recepta's obligations under section 2.6 of the LICR Agreement.

4. Enforcement of Side Letters. While the Sublicense Agreement is in effect, LICR shall maintain in full force and effect, and, upon the request of Mersana, take all appropriate steps to enforce the terms of that certain side letter between LICR and [***], and that certain side letter between LICR and [***] (collectively, the "Side Letters"), to the extent that the terms of the Side Letters apply to Mersana or the [***] Technology. Without limiting the foregoing, LICR shall not amend, replace or assign any of its rights under either of the Side Letters or its other agreements with [***] referenced in the Side Letters in any manner that affects the [***] Technology, without Mersana's prior written approval.

5. Miscellaneous.

a. The Parties hereby acknowledge and agree that references to a party to a given agreement shall include any successor to such party to such agreement, including, without limitation, by operation of this Agreement. The Parties further agree and acknowledge that the rights and obligations of a Party under this Agreement shall be binding on, and inure to the benefit of, its successors and assigns, including, without limitation, a successor or assign with respect to the LICR Agreement or the Sublicense Agreement, as applicable.

b. This Agreement may be executed by the Parties hereto in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile signatures (including scanned .PDF versions) shall be deemed to be originals.

c. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York, without regard to its conflicts of laws rules.

d. The Parties intend for this Agreement to be an amendment of the LICR Agreement as and to the extent set forth herein.

e. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties unless reduced to writing and signed by an authorized representative of each Party.

[NO FURTHER TEXT ON THIS PAGE]

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

RECEPTA BIOPHARMA, S.A.

By: /s/ José Fernando Perez
Name: José Fernando Perez

Title: President

LUDWIG INSTITUTE FOR CANCER RESEARCH

By: /s/ Edward A. McDermott, Jr.
Name: Edward A. McDermott, Jr.
Title: President

MERSANA THERAPEUTICS, INC.

By: /s/ Eva M. Jack
Name: Eva M. Jack
Title: Chief Business Officer

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Exhibit A

Sublicense Agreement

[See attached]

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Exhibit 10.10

CONFIDENTIAL

COLLABORATION AGREEMENT

BY AND BETWEEN ADIMAB, LLC

AND

MERSANA THERAPEUTICS, INC.

JULY 25, 2012

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

TABLE OF CONTENTS

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EXHIBITS LIST

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COLLABORATION AGREEMENT

THIS COLLABORATION AGREEMENT (the “Agreement”) is made as of July 25, 2012 (the “Effective Date”), by and between ADIMAB, LLC, a Delaware limited liability company having an address at 7 Lucent Drive, Lebanon, NH 03766 (“Adimab”) and MERSANA THERAPEUTICS, INc., a Delaware corporation having an address at 840 Memorial Drive, Cambridge, MA 02139 (“Mersana”).

BACKGROUND

WHEREAS, Adimab has a fully integrated yeast-based antibody discovery and optimization platform that can be used to generate antibodies directed at selected targets;

WHEREAS, Mersana has a custom conjugation platform comprised of a biodegradable polymer and a broad variety of linker chemistries and drug payloads that can be used to engineer antibody-dmg conjugates;

WHEREAS, the Parties wish to collaborate by conducting a program to validate the combined use of each Party's platform, during which Adimab will use its platform to discover antibodies directed at selected targets, and Mersana will use its platform to engineer antibody- drug conjugates from such antibodies;

WHEREAS, concurrently with conducting such validation program, the Parties wish to engage in a co-marketing program pursuant to which they will offer to Third Parties the ability to receive antibody-drug conjugates engineered using the combined platform on mutually agreed terms and conditions; and

WHEREAS, Mersana or Adimab may elect to further develop and commercialize certain antibody-drug conjugates engineered during the validation program, as provided in this Agreement;

Now, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth below, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Adimab and Mersana hereby agree as follows:

ARTICLE 1
DEFINITIONS

The following initially capitalized terms have the following meanings (and derivative forms of them shall be interpreted accordingly):

1.1 "**ADC**" means an Antibody-drug conjugate comprising (a) [***] generated by Adimab using Adimab Core Technology and provided to Mersana under this Agreement, and (b) at least one drug payload selected by Mersana, where (a) and (b) are linked using Mersana Core Technology.

1.2 "**Adimab Background Patents**" means all Patents other than Program Patents Controlled by Adimab or its Affiliates as of the Effective Date or during the Term.

1.3 "**Adimab Core Technology**" means to the extent Controlled by Adimab on the Effective Date or during the Term, all Know-How and Patent Rights relating to or Covering (a) the discovery, maturation, optimization and production of Antibodies; (b) all methods, materials and other Know-How proprietary to Adimab and used in the foregoing; and (c) platforms embodying, components, component steps, and other portions of any of the foregoing.

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1.4 "**Adimab Core Technology Improvement**" means all Program Know-How and Program Patents to the extent that such Program Know-How or Program Patents constitute improvements, enhancements, substitutions, alterations or modifications made to or derived from Adimab Core Technology.

1.5 "**Adimab Field**" means all fields other than the practice of Mersana Core Technology or Mersana Core Technology Improvements.

1.6 "**Adimab Indemnitees**" has the meaning given in Section 10.2.

1.7 "**Adimab Material**" means any tangible biological or chemical material (including all vectors, Antibodies (including Validation Program Antibodies and, if provided by Adimab to Mersana, DNA encoding such Validation Program Antibodies) and other Know-How in the form of tangible biological or chemical materials), in each case that is provided by Adimab to Mersana under the Validation Program.

1.8 An "**Affiliate**" of a given entity means another entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such first entity, but only for so long as such relationship exists between such entities. For this purpose, "**control**" means the ownership or possession of fifty percent (50%) or more of the voting securities entitled to elect the directors or management of the entity, fifty percent (50%) or more of the rights to profits or other distributions by the entity, or the actual power to elect or direct the management of the entity, either by contract or otherwise.

1.9 "**Antibody**" means (a) an unconjugated monoclonal antibody protein, (b) the DNA that encodes such protein, or (c) any derivative, fragment or modified form of such protein or DNA (e.g., any pegylated version of or otherwise modified versions of such antibody), whether naturally occurring, artificially produced, raised in an artificial system, generated through modification of an antibody produced in any of the foregoing ways, or otherwise. For the avoidance of doubt, an ADC contains an Antibody but in its entirety an ADC is not an Antibody.

1.10 "**Back-up Antibody**" is defined in Section 2.3(a).

1.11 "**Background Patents**" means the Adimab Background Patents or the Mersana Background Patents, as applicable.

1.12 "**BLA**" means a Biologic License Application (as defined in the United States Federal Food, Drug, and Cosmetic Act and the regulations promulgated thereunder (21 C.P.R.§§ 600-680)), or any other application made to a Regulatory Authority for purposes of obtaining Marketing Approval for a Product.

1.13 "**Business Representative**" shall have the meaning set forth in Section 3.2.

1.14 "**Change of Control**" means with respect to a Party, the occurrence of any of the following:

(a) any Third Party or group of related Third Parties that was not, on the Effective Date, the beneficial owner, directly or indirectly, of fifty percent (50%) or more of the voting equity of the Party, becomes (after the Effective Date) the beneficial owner, directly or indirectly, of fifty percent

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(50%) or more of the voting equity of the Party, whether as a result of issuances, redemptions, repurchases or transfers of voting equity or otherwise, except, with respect to the transactions described in this clause (a), in the case of a *bona fide* financing of a Party by a financial investor (or group of financial investors), which, for the avoidance of doubt, includes venture capital funds or any venture investor that is affiliated with a pharmaceutical or other operating company, of shares of such Party for investment purposes (and not for the purpose of obtaining direct control of or rights to such Party's technology for strategic reasons) in a transaction approved by such Party's Board of Directors; or

(b) the Party consolidates with, or merges with or into, a Third Party or sells, assigns, conveys, transfers, leases or otherwise disposes of all, or substantially all, of its assets to a Third Party, or a Third Party consolidates with, or merges with or into, the Party, in any such event pursuant to a transaction in which the outstanding voting equity of the Party is converted into or exchanged for cash, securities, equity interests or other property and immediately after such transaction the Persons who were the beneficial owners of the outstanding voting equity of the Party immediately prior to the transaction are not the beneficial owners, directly or indirectly, of more than fifty percent (50%) of the total voting equity of the surviving or transferee entity.

1.15 "**Co-Marketing Program**" means the co-marketing program for the Combined Platform described in ARTICLE 3.

1.16 "**Combined Platform**" means the combination of Adimab Core Technology and Mersana Core Technology used to generate ADCs pursuant to this Agreement.

1.17 "**Commercially Reasonable Efforts**" means, with respect to the efforts to be expended by a Party with respect to any objective, those reasonable, good faith efforts to accomplish such objective as a similarly situated Third Party would use to accomplish a similar objective under similar circumstances.

1.18 "**Confidential Information**" has the meaning given in Section 8.1.

1.19 "**Confidentiality Agreement**" means the Nondisclosure Agreement by and between the Parties, dated as of January 19, 2012

1.20 "**Control**" means, with respect to any Know-How or Patent of a Party (or, as described below, a Future Acquirer), that the Party or its Future Acquirer or its Affiliate has the right and ability (other than pursuant to a license granted hereunder) to grant access and a license or sublicense to such intellectual property right to the other Party as provided in this Agreement without violating an agreement with or other rights of any Third Party; *provided that* any intellectual property right Controlled by a Future Acquirer of a Party shall not be treated as "Controlled" by such Party or its Affiliates, for purposes of this Agreement, to the extent, but only to the extent, that such intellectual property (a) is Controlled by such Future Acquirer of such Party immediately prior to the time such Future Acquirer qualifies as such, other than pursuant to a license or other grant of rights by such Party or its Affiliates, or (b) is subsequently Controlled by such Future Acquirer but was not Controlled by such Party or any of its existing Affiliates immediately prior to the time such Future Acquirer qualifies as such and did not come under the Control of such Future Acquirer due to any reference or access to Background Patents of such Party or Core Technology of such Party by such Future Acquirer.

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1.21 "**Core Technology**" means the Adimab Core Technology or the Mersana Core Technology, as applicable.

1.22 "**Cover**" shall mean that, in the absence of a license granted under or ownership of a Valid Claim of an issued Patent, the making, having made, use, offering for sale, sale, or importation of a product, or the practice of necessary technology, would infringe such Valid Claim. For the avoidance of doubt, and without limiting other applications of this definition, a Patent "Covers" a Product if the making, having made, use, offer for sale, sale or importation of such Product would, in the absence of a license granted under or ownership of a Valid Claim of such Patent, infringe such Patent.

1.23 "**EU**" means the European Union, as constituted on the Effective Date and as it may be constituted from time to time.

1.24 "**Exclusive Co-Marketing Term**" means the period commencing on the Effective Date and ending (a) [***] or (b) [***].

1.25 "**Existing Third Party Agreement**" means any agreement existing as of the Effective Date between a Third Party and a Party under which payments may be owed to such Third Party as a result of the activities contemplated by this Agreement.

1.26 "**Filing Party**" has the meaning given in Section 7.4(c).

1.27 "**Fleximer**" means Mersana's biodegradable polymer platform, or poly(hydroxymethylethylene)hydroxymethyl formal, in any of its various forms and sizes, and any other polyacetal/polyketal biodegradable polymers, in each case, that are proprietary to Mersana on the Effective Date or during the Term.

1.28 "**Force Majeure**" has the meaning given in Section 12.7.

1.29 "**Future Acquirer**" means a Third Party to any Change of Control transaction involving a Party and any of such Third Party's Affiliates.

1.30 "**Government Authority**" means any court, agency, department, authority or other instrumentality of any national, state, county, city or other political subdivision.

1.31 "**Indemnify**" has the meaning given in Section 10.1.

1.32 "**Joint Program Patent**" means a Joint Validation Program Patent or a Joint Third Party Collaboration Patent.

1.33 "**Joint Third Party Collaboration Patent**" means any Patent Covering Know- How that was Third Party Collaboration Know-How before it was claimed in such Patent, but excluding Third Party Collaboration Antibody Patents and Third Party Collaboration ADC Patents.

1.34 "**Joint Validation Program Patent**" means any Patent Covering Know-How that was Validation Program Know-How before it was claimed in such Patent, but excluding Validation Program Antibody Patents and Validation Program ADC Patents.

1.35 "**Joint Steering Committee**" has the meaning given in Section 5.1.

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1.36 "**Know-How**" means all technical information and know-how, including inventions, discoveries, trade secrets, specifications, instructions, processes, formulae, materials (including cell lines, vectors, plasmids, nucleic acids and the like), methods, protocols, expertise and other technology applicable to formulations, compositions or products or to their manufacture, development, registration, use or marketing or to methods of assaying or testing them or processes for their manufacture, formulations containing them or compositions incorporating or comprising them, all related biological, chemical, pharmacological, biochemical, toxicological, pharmaceutical, physical and analytical information, and related safety, quality control, manufacturing, preclinical and clinical data, instructions, processes and formula, but in each case excluding the subject matter disclosed in any and all published Patents.

1.37 "**Linker**" means Mersana's proprietary linker and coupling chemistry technology involving molecules used to attach drug payloads to Antibodies using Fleximer, and to control the stability, release mechanism and release rate of such drug payloads from Fleximer.

1.38 "**Losses**" has the meaning given in Section 10.1.

1.39 "**Marketing Approval**" means, with respect to a country, the approval necessary to market a Product legally as a pharmaceutical product, including as applicable, approval of a BLA in the United States, or approval of a comparable filing in the United States or any other jurisdiction, including, where required by applicable law in order to market or sell a Product, pricing approval.

1.40 "**Mersana Background Patents**" means all Patents other than Program Patents Controlled by Mersana or its Affiliates as of the Effective Date or during the Term.

1.41 "**Mersana Core Technology**" means, to the extent Controlled by Mersana on the Effective Date or during the Term, all Know-How and Patent Rights relating to or Covering (a) Fleximer, (b) Linkers and (c) Payloads.

1.42 "Mersana Core Technology Improvement" means all Program Know-How and Program Patents to the extent that such Program Know-How or Program Patents constitute improvements, enhancements, substitutions, alterations, or modifications made to or derived from Mersana Core Technology.

1.43 "**Mersana Indemnitees**" has the meaning given in Section 10.1.

1.44 "**Mersana Material**" means any tangible biological or chemical material (including all Validation Program ADCs and other Know-How in the form of tangible biological or chemical materials), in each case that is provided by Mersana to Adimab under the Validation Program.

1.45 "**Net Sales**" shall mean the gross amount invoiced by a Party, its Affiliates, licensees and sublicensees to Third Parties with respect to Products in the Territory, less:

(a) sales, returns and allowances actually paid, granted or accrued, including trade, quantity and cash discounts and any other adjustments granted on account of price adjustments or billing errors;

(b) rejected goods, damaged or defective goods, recalls, returns;

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(c) rebates, chargeback rebates, compulsory rebates, reimbursements or similar payments granted or given to wholesalers or other distributors, buying groups, health care insurance carriers or other institutions;

(d) adjustments actually granted Third Parties arising from consumer discount programs or other similar programs;

(e) a reasonable reserve for non-collectable receivables related to Product (*provided that*, such amounts shall not exceed [***] of Net Sales in [***] and that if such amounts are later collected, they shall be included in Net Sales in the [***] of collection),

(f) customs or excise duties, sales tax, consumption tax, value added tax, and other taxes (except income taxes) separately stated on the invoice; or

(g) charges for packing, freight, shipping and insurance (to the extent separately stated on the invoice).

Each of the foregoing deductions shall be determined as incurred in the ordinary course of business in type and amount consistent with good industry practice and in accordance with GAAP on a basis consistent with such Party's audited consolidated financial statements and consistently applied across all products of such Party and its Affiliates. For clarity, sales by a Party, its Affiliates, licensees or sublicensees of a Product to a Recognized Agent or Third Party Distributor (as defined below) of such Product in a given country shall be considered a sale to a Third Party customer. All such discounts, allowances, credits, rebates, and other deductions shall be fairly and equitably allocated to the Products and other products of such Party and its Affiliates, licensees and sublicensees such that the Product does not bear a disproportionate portion of such deductions. "Recognized Agent or Third Party Distributor" for the purpose of this definition shall mean any Third Party to which a Party, its Affiliate, Third Party licensee or sublicensee sells Product for distribution or resale to customers in a country or territory.

Even if there is overlap between any of deductions (a)-(g), each individual item shall only be deducted once in the overall Net Sales calculation.

Supply of a Product with respect to the Territory other than for cash shall be substituted to price on *bona fide* arms-length sales; whereas the price shall be the average price of such Product sold for cash with respect to the Territory during the period based on quantity of drug substance sold.

Any Products used for promotional or advertising purposes, used for free samples, or otherwise distributed at no charge to patients unable to purchase the same (including patients in clinical trials) shall not be included in Net Sales. Donations for charity reasons (to avoid doubt, for which no monetary consideration is received) shall also not be included in Net Sales.

1.46 "**Non-Filing Party**" has the meaning given in Section 7.4(c).

1.47 "**Option Exercise Fee**" has the meaning given in Section 6.1.

1.48 "**Party**" means Adimab or Mersana.

1.49 "**Patent**" means any patent application or patent anywhere in the world, including the following: provisional, utility, divisional, continuation, continuation-in-part, and substitution applications;

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and utility, re-issue, re-examination, renewal and extended patents, and patents of addition, and any supplementary protection certificates and restoration of patent terms.

1.50 "**Payload**" means Mersana's proprietary drug payload chemistry technology, other than Antibodies, incorporated into an ADC.

1.51 "**Phase I Clinical Trial**" means, with respect to a Product, a clinical trial on sufficient numbers of human patients or subjects for the primary purposes of evaluating safety, metabolism and pharmacokinetics, as described in 21 C.F.R. §312.21(a), or similar clinical study in a country other than the United States.

1.52 "**Phase II Clinical Trial**" means, with respect to a Product, a clinical trial on sufficient numbers of human patients or subjects for the primary purposes of evaluating safety and efficacy, as described in 21 C.F.R. §312.21(b), or similar clinical study in a country other than the United States.

1.53 "**Phase III Clinical Trial**" means, with respect to a Product, a clinical trial on sufficient numbers of human patients that is designed to establish that such Product is safe and efficacious for its intended use, and to define warnings, precautions and adverse reactions that are associated with such Product in the dosage range to be prescribed, and directly supporting Marketing Approval or label expansion of such Product, as described as a phase III clinical trial in 21 C.F.R. §312.21(c), or equivalent pivotal clinical study in a country other than the United States, in each case designed to be sufficient to support Marketing Approval.

1.54 "**Product**" means any product that is or contains a Validation Program ADC.

1.55 "**Program Antibody**" means a Validation Program Antibody or a Third Party Collaboration Antibody.

1.56 "**Program Antibody Patent**" means a Validation Program Antibody Patent or a Third Party Collaboration Antibody Patent.

1.57 "**Program Know-How**" means Validation Program Know-How and Third Party Collaboration Know-How.

1.58 "**Program Patent**" means a Validation Program Patent or a Third Party Collaboration Patent.

1.59 "**Program Non-Antibody Patent**" means a Validation Program ADC Patent or a Third Party Collaboration ADC Patent.

1.60 "**Regulatory Authority**" means the United States Food and Drug Agency or any counterpart thereof outside the United States.

1.61 "**Regulatory Exclusivity**" means any right or protection which is recognized, afforded or granted by the FDA or any other Regulatory Authority in any country or region, in association with the Marketing Approval of a Product, providing such Product: (a) a period of marketing exclusivity,

during which a Regulatory Authority recognizing, affording or granting such marketing exclusivity shall refrain from either reviewing or approving a BLA, marketing authorization application or similar regulatory submission, submitted by a Third Party seeking to market a competing product, or (b) a period of data

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exclusivity, during which a Third Party seeking to market a competing product or the applicable Regulatory Authority is precluded from either referencing or relying upon, without an express right of reference from the dossier holder, such Product's clinical dossier or relying on previous Regulatory Authority findings of safety or effectiveness with respect to such Product to support the submission, review or approval of a BLA, marketing authorization application or similar regulatory submission. Regulatory Exclusivity includes rights conferred in the United States pursuant to the Hatch-Waxman Amendments to the Federal Food, Drug and Cosmetic Act, the Orphan Drug Act, or the Best Pharmaceuticals for Children Act, or in the EU pursuant to Section 10.1(a)(iii) of Directive 2001/EC/83.

1.62 "**Royalty Term**" has the meaning given in Section 6.3(b).

1.63 "**SEC**" means the United States Securities and Exchange Commission and any successor agency thereto.

1.64 "**Selected Antibodies**" means the primary Antibody and Back-up Antibodies selected by Mersana from among the Validation Program Antibodies for each of the Validation Program Targets in accordance with Section 2.3(a).

1.65 "**Senior Executives Discussions**" has the meaning given in Section 12.2.

1.66 "**Target**" means a disease-related biological target to which an Antibody (whether alone or contained in an ADC) binds.

1.67 "**Term**" has the meaning given in Section 11.1.

1.68 "**Third Party**" means an entity other than a Party or the Affiliate of a Party.

1.69 "**Third Party Claims**" has the meaning given in Section 10.1.

1.70 "**Third Party Collaboration**" has the meaning given in Section 3.1.

1.71 "**Third Party Collaboration ADC**" means an ADC generated by Mersana pursuant to a Third Party Collaboration.

1.72 "**Third Party Collaboration ADC Patent**" means any Patent other than a Third Party Collaboration Antibody Patent that (a) claims inventions made, developed, invented or discovered by employees, contractors or agents of either Party or of both Parties under a Third Party Collaboration and (b) Covers the structure and all or certain of the components of a Third Party Collaboration ADC.

1.73 "Third Party Collaboration Antibody" means an Antibody generated by Adimab in the course of a Third Party Collaboration.

1.74 "**Third Party Collaboration Antibody Patent**" means any Patent that (a) claims inventions made, developed, invented or discovered by employees, contractors or agents of either Party or of both Parties, with or without employees, contractors or agents of a Third Party Collaborator, under a Third Party Collaboration and (b) includes as an element of a claim the sequence or any portion of the sequence of a Third Party Collaboration Antibody and that may or may not also include as an element of a claim the sequence or any portion of the sequence of other Antibodies [***]. For the avoidance of doubt, a Third Party Collaboration Antibody Patent may or may not include as element(s) of claim(s)

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[***], which in tum may or may not include [***] outside the Mersana Core Technology and Mersana Core Technology Improvements and may or may not include [***] without specific reference to Mersana Core Technology or Mersana Core Technology Improvements.

1.75 "**Third Party Collaboration Know-How**" means all Know-How made, developed, invented or discovered by employees, contractors or agents of either Party or of both Parties, with or without employees, contractors or agents of a Third Party Collaborator, under a Third Party Collaboration, excluding any such Know-How after it is claimed in any Third Party Collaboration Patent that has published or issued.

1.76 "**Third Party Collaboration Patent**" means a Third Party Collaboration Antibody Patent, a Third Party Collaboration ADC Patent or a Joint Third Party Collaboration Patent.

1.77 "**Third Party Collaboration Term Sheet**" means the term sheet attached hereto as Exhibit A, as it may be revised by the Parties from time to time in accordance with the terms of this Agreement.

1.78 "**Third Party Collaborator**" has the meaning given in Section 3.1.

1.79 "**Valid Claim**" means, with respect to a particular country, a claim of a Patent, which claim is: (a) issued and unexpired in such country and has not been revoked or found to be unpatentable, invalid or unenforceable by a court or other authority having jurisdiction in such country, which decision is unappealable or unappealabled within the time allowed for appeal; or (b) pending in such country and has not been finally cancelled, withdrawn, abandoned, disclaimed, admitted to be invalid or unenforceable or finally rejected through reissue, disclaimer or otherwise.

1.80 "**Validation Plan**" has the meaning given in Section 2.1.

1.81 "**Validation Program**" means the validation program conducted in accordance with the Validation Plan.

1.82 "**Validation Program ADC**" means an ADC generated by Mersana in accordance with the Validation Plan by conjugating a Selected Antibody with a drug payload selected by Mersana using Mersana Core Technology.

1.83 "**Validation Program ADC Patent**" means any Patent other than a Validation Program Antibody Patent that (a) claims inventions made, developed, invented or discovered by employees, contractors or agents of either Party or of both Parties under the Validation Program and (b) Covers the structure and all or certain of the components of a Validation Program ADC.

1.84 "**Validation Program Antibody**" means an Antibody generated by Adimab in the course of the Validation Program.

1.85 "**Validation Program Antibody Patent**" means any Patent that (a) claims inventions made, developed, invented or discovered by employees, contractors or agents of either Party or of both Parties under the Validation Program and (b) includes as an element of a claim the sequence or any portion of the sequence of a Validation Program Antibody and that may or may not also include as an element of a claim the sequence or any portion of the sequence of other Antibodies [***]. For the avoidance of doubt, a Validation Program Antibody Patent may or may not include as element(s) of

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claim(s) [***], which in turn may or may not include [***] outside the Mersana Core Technology and Mersana Core Technology Improvements and may or may not include [***] without specific reference to Mersana Core Technology or Mersana Core Technology Improvements.

1.86 "**Validation Program Data**" has the meaning given in Section 2.5(a).

1.87 "**Validation Program Know-How**" means all Know-How made, developed, invented or discovered by employees, contractors or agents of either Party or of both Parties under the Validation Program, including any Validation Program Data, but excluding any such Know-How after it is claimed in any Validation Program Patent that has published or issued.

1.88 "**Validation Program Patent**" means a Validation Program Antibody Patent, a Validation Program ADC Patent or a Joint Validation Program Patent.

1.89 "**Validation Program Target**" has the meaning given in Section 2.1.

1.90 "**Validation Program Term**" means the period commencing upon approval of the Validation Plan and ending upon the later of (a) [***] and (b) [***].

1.91 "**Withholding Taxes**" has the meaning given in Section 6.7.

References in the body of this Agreement to "Articles", "Sections" and "Exhibits" refer to the articles, sections and exhibits of this Agreement. The terms "include," "includes," "including" and derivative forms of them shall be deemed followed by the phrase "without limitation," regardless of whether such phrase appears there (and with no implication being drawn from its inconsistent inclusion or non-inclusion). The term "or" is used in the inclusive sense, i.e., "and/or". All references to "$" or "dollars" shall refer to United States dollars.

ARTICLE 2
VALIDATION PROGRAM

2.1 **Validation Plan**. Within [***] days following the Effective Date, the Parties, through the Joint Steering Committee, shall prepare and approve a plan for a program to produce ADCs directed to [***] Targets to be identified in such plan (each, a "**Validation Program Target**"), which ADCs shall combine Selected Antibodies with drug payloads selected by Mersana and reasonably acceptable to Adimab via [***], which plan shall include the elements set forth in Exhibit B and such other elements as the Parties may mutually agree from time to time, and which plan will be thereafter attached to this Agreement as Exhibit C (the "**Validation Plan**"). Each Party shall use Commercially Reasonable Efforts to carry out the activities assigned to such Party in the Validation Plan, in accordance with the applicable timelines set forth in the Validation Plan and the terms and conditions of this Agreement.

2.2 **Generation of Antibodies**. Adimab shall use the Adimab Core Technology to generate Validation Program Antibodies directed to the Validation Program Targets as described in the Validation Plan. Adimab shall then deliver to Mersana such Validation Program Antibodies and information and data relating thereto in accordance with the Validation Plan.

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2.3 Selected Antibodies.

(a) Mersana shall select one (1) primary Antibody and [***] back-up Antibodies ("Back-up Antibodies") to be the Validation Program Antibodies for each Validation Program Target (or such other number of Back-up Antibodies as the Parties may mutually agree), for incorporation into Validation Program ADCs pursuant to the Validation Plan, and shall provide Adimab with written notice of such Selected Antibodies within [***] weeks after Adimab provides the Validation Program Antibodies to Mersana pursuant to Section 2.2. Following such selection, all rights to Validation Program Antibodies not selected by Mersana shall revert to Adimab and such non-selected Validation Program Antibodies shall be excluded from the Validation Program and the licenses granted to Mersana under this Agreement.

(b) Mersana shall promptly return to Adimab all quantities of Validation Program Antibodies that are not selected by Mersana as Selected Antibodies pursuant to Section 2.3(a), including [***] that may also pertain to such Validation Program Antibodies, which data and results Mersana shall only use (i) in the Co-Marketing Program as permitted under Section 3.4, (ii) in order to evaluate whether it desires to become the Commercial Rights Party for the applicable Validation Program ADC pursuant to Section 4.2(c), or (iii) if applicable, in connection with the exercise of its rights as the Commercial Rights Party for the applicable Validation Program ADC), and any other physical embodiments of Know-How pertaining to such Validation Program Antibodies, so that Mersana retains no information, material or other physical embodiments of Know-How pertaining to such Validation Program Antibodies in the possession of itself, its Affiliates or any Third Party having had access thereto.

2.4 Generation of Validation Program ADCs. Mersana shall use Commercially Reasonable Efforts to conjugate the Selected Antibodies and drug payloads using [***] to generate Validation Program ADCs as described in the Validation Plan. Mersana shall then deliver the results, data, and other relevant information regarding the Validation Program ADCs, as set forth in the Validation Plan, to Adimab. Upon written request from Adimab, Mersana shall also deliver reasonable quantities of such Validation Program ADCs to Adimab to perform *in vitro* research and *in vivo* research in non-human animals on Validation Program ADCs in order to evaluate whether it desires to become the Commercial Rights Party for a given Validation Program Target pursuant to Section 4.2(c).

2.5 Validation Program Data.

(a) Each Party shall use Commercially Reasonable Efforts to generate, in accordance with the Validation Plan, data regarding the use of the Combined Platform and the Validation Program ADCs ("Validation Program Data"). Each Party shall provide the other Party with a copy of all Validation Program Data it generates from activities conducted under the Validation Program at the intervals set forth in the Validation Plan, and in any event at the end of the Validation Program Term.

(b) Following the Validation Program Term, each Party shall provide the other Party, on a [***] basis, with a copy of any additional Validation Program Data it may generate through further research such Party conducts on any Validation Program ADC for which neither Party is the Commercial Rights Party. Notwithstanding the foregoing, unless a Party becomes a Commercial Rights Party with respect to any Validation Program ADC, such Party will have no duty to conduct further research on any Validation Program ADC following the Validation Program Term.

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(c) Promptly following a Party becoming the Commercial Rights Party with respect to any Validation Program ADC pursuant to Section 4.2, the Parties, through the Joint Steering Committee, shall review the Validation Program Data for such Validation Program ADC and agree upon appropriate redactions thereto, if any, that are necessary or desired in order to protect the proprietary nature of such Validation Program ADC, it being understood that the goal of such review is to retain an information package around the Validation Program ADCs to enable the Parties to effectively market the Combined Platform pursuant to ARTICLE 3 and that any Validation Program Data redacted from such agreed information package may have been provided to Third Parties prior to such point in time.

2.6 Reports. At the junctures specified in the Validation Plan, each Party shall provide written reports to the other Party of the information, data and results specified pursuant to the Validation Plan to be disclosed to the other Party.

2.7 Costs. Except as expressly set forth in this ARTICLE 2, [***].

ARTICLE 3
CO-MARKETING PROGRAM

3.1 General. From and after the Effective Date, the Parties shall, pursuant to the terms of this ARTICLE 3, use Commercially Reasonable Efforts to conduct a co-marketing program pursuant to which they will offer Third Parties the ability to engage Adimab and Mersana to generate [***] ADCs using the Combined Platform against up to [***] Targets (unless a greater number is mutually agreed by the Parties in accordance with Section 3.5(a)) identified by such Third Party and to license commercial rights to such ADCs (each such arrangement, a "**Third Party Collaboration**" and each such Third Party, a "**Third Party Collaborator**").

3.2 Business Representatives. Each Party shall appoint [***]. The Business Representatives shall meet from time to time promptly after the date of a request by either Party. Adimab's initial [***] shall be [***] and Mersana's initial [***] shall be [***]. Each Party may change [***] upon written notice to the other Party. The Business Representatives may meet in person or by teleconference or videoconference. During the Term, the Business Representatives shall oversee the Co-Marketing Program and facilitate communications and cooperation between the Parties with respect thereto, including the following, which require the approval of both Business Representatives:

(a) approving the subset of Validation Program Data that may be used in the Co-Marketing Program, as set forth in Section 3.4, including any necessary or desired redaction thereto in accordance with Section 2.5(c);

(b) determining which Party shall lead negotiations with respect to any given potential Third Party Collaborator, as set forth in Section 3.4; and

(c) approving any proposed revision to the Third Party Collaboration Term Sheet, as set forth in Section 3.3(a).

3.3 Third Party Collaboration Term Sheet.

(a) The Parties shall use the Third Party Collaboration Term Sheet, with any revisions thereto approved by the Business Representatives, as the basis for entering into negotiations of

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Third Party Collaborations with potential Third Party Collaborators. After the Parties have entered into [***] Third Party Collaborations (or sooner if mutually agreed by the Business Representatives), the Parties, through the Business Representatives, shall discuss any changes to the Third Party Collaboration Term Sheet (it being expected that after entering into several such agreements, Adimab and Mersana shall be able to extract higher payments from Third Party Collaborators). Neither Party shall thereafter proceed with negotiating a Third Party Collaboration until both Parties agree on any changes to the Third Party Collaboration Term Sheet.

(b) The Parties will use good faith efforts to structure each Third Party Collaboration such that the Third Party Collaborator shall develop and commercialize the ADC developed pursuant to the Third Party Collaboration and neither Party shall propose, or seek to induce the Third Party Collaborator to terminate a Third Party Collaboration for the purpose of entering into an alternative collaboration with such Party relating to the technology contributed by such Party to the ADC developed pursuant to the Third Party Collaboration. However, subject to the first sentence of this Section 3.3(b), the Parties agree that, under the terms of the Third Party Collaboration, the Third Party Collaborator shall have the right to terminate the Third Party Collaboration at its convenience. In such case the Third Party Collaborator may enter into a separate transaction with either (i) Adimab, for purposes of licensing the Antibodies discovered by Adimab in the course of the Third Party Collaboration, including for use with Third Party drug conjugate technology, or (ii) Mersana, with respect to another Antibody or other targeting moiety provided by or on behalf of or otherwise selected by such Third Party Collaborator, together with the components (Fleximer, Linker and drug payload) of the ADC developed by Mersana in the course of the Third Party Collaboration, in the case of each of clause (i) and (ii), with respect to the Target that was subject of the Third Party Collaboration (and any additional Targets agreed to by such Party and the Third Party Collaborator) and subject to agreement by the contracting Party.

3.4 Negotiations. Either Party may approach potential Third Party Collaborators and propose the terms set forth in the Third Party Collaboration Term Sheet to begin negotiations, and, subject to Section 2.5(c), may disclose the Validation Program Data that the Business Representatives have approved for such purpose, subject to such Third Party's entering into a confidentiality agreement requiring such Third Party to keep such Validation Program Data confidential on terms substantially similar to the terms contained in ARTICLE 8 hereof. On a case-by-case basis, the Parties, through the Business Representatives, shall mutually agree on which of Adimab or Mersana shall be responsible for leading the negotiations of a Third Party Collaboration agreement with each potential Third Party Collaborator, which agreement will, unless otherwise agreed by both Business Representatives, be a three-party agreement between Adimab, Mersana, and such Third Party Collaborator. The leading Party shall keep the other Party informed regarding the status of negotiations, including by providing copies of draft term sheets and agreements for review and comment by such other Party. Both Parties shall work together in good faith to develop a work plan that meets the needs of the applicable Third Party Collaborator. Each Party shall bear its own expenses in connection with negotiating Third Party Collaborations. Each final agreement with each Third Party Collaborator must be approved by both Parties prior to execution and, subject to Sections 3.3(b) and 3.8(d), neither Party will enter into a two-party Third Party Collaboration agreement without the written consent of the other Party; *provided*, *however*, that a Party may not withhold approval regarding any term in the Third Party Collaboration Term Sheet.

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3.5 Restrictions.

(a) The Parties shall not license ADCs with respect to more than [***] Targets to any single Third Party Collaborator, unless otherwise agreed to by both Business Representatives.

(b) Neither Party shall be obligated to agree to any Third Party Collaboration that provides Target exclusivity to a Third Party Collaborator for such Party's technology. For example, it is anticipated that Mersana may choose to grant a Third Party Collaborator exclusivity around the use of Fleximer, Linker and a Payload (or any such components) with respect to [***] Target, but that Adimab would not grant such Third Party Collaborator exclusivity with respect to Antibodies against [***] Target (other than the specific Antibodies discovered and optimized pursuant to the Third Party Collaboration).

(c) In the event that Mersana and Adimab enter into a Third Party Collaboration to discover an ADC against a particular Target, [***], except as contemplated under [***].

3.6 Proceeds. Each Party shall be entitled to receive [***] of all proceeds from a Third Party Collaborator under each Third Party Collaboration, as set forth in more detail in the Third Party Collaboration Term Sheet. For clarity, certain milestone payments [***].

3.7 Costs. Unless otherwise set forth in the applicable Third Party Collaboration Agreement, [***] incurred under the work plan applicable to each Third Party Collaboration. Unless otherwise agreed to by the Parties, all other costs of Third Party Collaborations that are not paid for by the applicable Third Party Collaborator shall be borne [***], except that all costs relating to patent prosecution shall be divided as set forth in ARTICLE 7 of this Agreement, to the extent addressed therein.

3.8 Marketing Exclusivity.

(a) During the Exclusive Co-Marketing Term, or such longer period as may be mutually agreed by the Parties, each Party shall use good faith efforts to promote the

(b) Combined Platform with Third Parties who express an interest in Antibody-drug conjugates pursuant to the terms of this ARTICLE 3.

(c) During the Exclusive Co-Marketing Term, Adimab shall not promote to existing or potential Third Party customers an Antibody-drug conjugate technology platform other than that provided by [***].

(d) During the Exclusive Co-Marketing Term, Mersana shall not promote to existing or potential Third Party customers an Antibody discovery or Antibody optimization technology, other than those provided by [***].

(e) Notwithstanding the obligations set forth in this ARTICLE 3, at a Third Party's request, each Party may provide Antibodies, in the case of Adimab, or Antibody-drug conjugation technology, in the case of Mersana, to Third Parties without entering into a Third Party Collaboration. For clarity, each Party shall have the right to (i) work with other providers of Antibody-drug conjugation technology, in the case of Adimab, or of Antibodies, in the case of Mersana, and (ii) inform Third Parties that the relationship between the Parties is one of preferred partners but not an exclusive partnership. For example, it is anticipated that if a Third Party inquires to either Party regarding Antibody-drug conjugation technology, such Party would respond to such inquiry by initially promoting the Combined Platform to such Third Party (including providing Validation Program Data, if appropriate), but if the Third Party expresses concern regarding the Combined Platform for any reason or otherwise indicates that

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it does not wish to use the Combined Platform, such Party would inform such Third Party that such Party is free to work with technologies other than the Combined Platform to discover and develop an Antibody-drug conjugate for such Third Party.

(f) The restrictions set forth in this Section 3.7 shall not apply to any agreements entered into prior to the Effective Date.

ARTICLE 4
LICENSES; RIGHTS; OPTIONS; DILIGENCE

4.1 Validation Program Licenses.

(a) **To Adimab**. Mersana and its Affiliates hereby grant to Adimab a non- exclusive license under the Validation Program ADC Patents, and Mersana's interest in the Validation Program Know-How and Joint Validation Program Patents, solely for Adimab to perform Adimab's responsibilities as provided for in the Validation Plan as part of the Validation Program during the Validation Program Term, and, if Adimab requests and receives Validation Program ADCs under Section 2.4, for Adimab to perform [***] on Validation Program ADCs in order to evaluate whether it desires to become the Commercial Rights Party for a given Validation Program Target pursuant to Section 4.2(c). For clarity, the foregoing license excludes the right for Adimab to practice or use Mersana Core Technology, Mersana Core Technology Improvements, Validation Program ADC Patents, Validation Program Know-How or Joint Validation Program Patents to discover new linkers or drug payloads or to provide the Validation Program ADCs to an Antibody-drug conjugate technology platform company, other than as permitted by Section 3.3(b).

(b) **To Mersana**. Adimab hereby grants Mersana a non-exclusive license under the Validation Program Antibody Patents, and Adimab's interest in the Validation Program Know-How and Joint Validation Program Patents, solely for Mersana to perform Mersana's responsibilities as provided for in the Validation Plan as part of the Validation Program during the Validation Program Term, and for Mersana to [***] on Validation Program ADCs in order to evaluate whether to exercise its option under Section 4.2(a) to become the Commercial Rights Party for a given Validation Program Target. For clarity, the foregoing license excludes the right for Mersana to practice or use Adimab Core Technology, Adimab Core Technology Improvements, Validation Program Antibody Patents, Validation Program Know-How or Joint Validation Program Patents to discover new Antibodies or to provide the Validation Program Antibodies to another Antibody discovery service provider for use in Antibody screening or discovery.

4.2 Rights to Validation Program Antibodies and Validation Program ADCs.

(a) Ownership of Patents and Know-How arising under this Agreement is set forth in Section 7.1, as modified by the remainder of this Section 4.2.

(b) Mersana shall have the right, at any time (subject to Section 4.2(c) below), to exercise an option to acquire all of Adimab's rights in the Validation Program ADCs generated against [***] of the Validation Program Targets by providing Adimab with written notice of such exercise identifying the Validation Program Target(s) for which it is exercising such option, Upon exercise of such option:

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(i) Mersana shall be deemed the Commercial Rights Party for the Validation Program ADCs generated against such Validation Program Target(s), and shall be responsible for payments owed to Adimab with respect thereto pursuant to ARTICLE 6;

(ii) Adimab shall and hereby does assign to Mersana all right, title and interest in and to the Selected Antibodies generated by Adimab against such Validation Program Target(s), including the Validation Program Antibody Patents, Joint Validation Program Patents and Validation Program Know-How that relate solely and specifically to the Selected Antibodies; *provided, however, that* Mersana shall not practice or use, or permit any Third Party to practice or use, such Selected Antibodies, Validation Program Antibody Patents, Joint Validation Program Patents or Validation Program Know-How to discover new Antibodies, to provide the Selected Antibodies to another Antibody discovery service provider for use in Antibody screening or discovery, or for any purpose other than the development, manufacture, use, sale, offer for sale and importation of Products containing the applicable Validation Program ADCs; and

(iii) Adimab shall and hereby does grant to Mersana a non-exclusive, royalty-bearing, sublicensable, worldwide license under the Adimab Core Technology, Adimab Core Technology Improvements and Adimab Background Patents, and an exclusive, royalty- bearing, sublicensable, worldwide license under Adimab's interest in the Validation Program Patents and Validation Program Know-How (other than those interests assigned to Mersana pursuant to Section 4.2(b)(ii)), in each case solely to develop, make, use, sell, offer to sell and import Products containing such Validation Program ADCs.

(iv) With respect to any Validation Program ADC for which Mersana exercises its option under this Section 4.2(b), Mersana shall have the right to replace the selected drug payload or Linker within such Validation Program ADC with any other drug payload or Linker for any reason. The product containing such new drug payload or Linker shall be deemed to be a Product for purposes of this Agreement.

(c) If, at any time prior to Mersana's exercise of the applicable option pursuant to Section 4.2(b) above, but at least [***] days following the end of the Validation Program Term, Adimab desires to acquire all of Mersana's rights in the Validation Program ADCs generated against [***] of the Validation Program Targets, then Adimab shall provide Mersana with written notice thereof identifying the Validation Program Target(s) for which it desires to obtain such rights. Mersana shall have [***] days after receipt of such notice to exercise its option pursuant to Section 4.2(b) above with respect to the Validation Program Target(s) identified in Adimab's notice. If Mersana provides written notice to Adimab that Mersana does not elect to exercise such option, or if Mersana has not provided written notice to Adimab of Mersana's exercise of such option by the end of such [***] day period, then:

(i) Adimab shall be deemed the Commercial Rights Party for the Validation Program ADCs generated against such Validation Program Target(s), and shall be responsible for payments owed to Mersana with respect thereto pursuant to ARTICLE 6;

(ii) Mersana shall and hereby does assign to Adimab all right, title and interest in and to such Validation Program ADCs, including the Validation Program ADC Patents, Joint Validation Program Patents and Validation Program Know-How that relate solely and specifically to the Validation Program ADCs; *provided, however*, that Adimab shall not practice or use, or permit any Third Party to practice or use, such Validation Program ADCs, Validation Program ADC Patents, Joint

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Validation Program Patents or Validation Program Know-How to discover new linkers or drug payloads, to provide the Validation Program ADCs to another Antibody-drug conjugation technology provider for conjugation with a different linker or drug payload, or for any purpose other than the development, manufacture, use, sale, offer for sale and importation of Products containing the applicable Validation Program ADCs; and

(iii) Mersana shall and hereby does grant to Adimab a non-exclusive, royalty-bearing, sublicensable, worldwide license under the Mersana Core Technology, Mersana Core Technology Improvements and Mersana Background Patents, and an exclusive, royalty- bearing, sublicensable, worldwide license under Mersana's interest in the Validation Program Patents and Validation Program Know-How (other than those interests assigned to Adimab pursuant to Section 4.2(c)(ii)) in each case solely to develop, make, use, sell, offer to sell and import Products containing such Validation Program ADCs.

(d) Technology Transfer. Neither Party shall have any technology transfer obligations under this Agreement beyond any technology transfer obligations set forth in the Validation Plan. Without limiting the generality of the foregoing, Adimab shall not under any circumstances be required to transfer to Mersana any proprietary cell line or yeast strain of Adimab. The cell lines and yeast strains used by Adimab in Adimab Core Technology as practiced by Adimab as of the Effective Date or [***] is a valuable trade secret of Adimab. Mersana shall not, notwithstanding anything express or implied in this Agreement, obtain pursuant to this Agreement any right to access or obtain samples of such cell lines or yeast strains (whether or not transformed to express any Validation Program Antibody, whether or not a Selected Antibody).

4.3 Development and Commercialization.

(a) The applicable Commercial Rights Party shall have the sole and exclusive right under the Validation Program Patents and Validation Program Know-How to develop and commercialize Products, or to sublicense the applicable rights to a Third Party to do so, and shall exercise Commercially Reasonable Efforts to do so.

(b) Within [***] days after the end of each calendar year, the applicable Commercial Rights Party shall provide the applicable Non-Commercial Rights Party with a written summary of progress in development and commercialization achieved under this Agreement during such calendar year with respect to Products, including whether the Commercial Rights Party is developing or commercializing any Product directed at the applicable Validation Program Target.

(c) If the Commercial Rights Party discontinues or otherwise ceases to pursue the development and commercialization of any Product for the applicable Validation Program Target using Commercially Reasonable Efforts, then, as the Non-Commercial Rights Party's sole and exclusive remedy with respect thereto:

(i) the Commercial Rights Party shall provide prompt written notice of such discontinuation or cessation to the Non-Commercial Rights Party;

(ii) the Commercial Rights Party shall pay any interest outstanding pursuant to Section 6.2(b) and shall not be responsible for payment of any principal amount with respect to deferred Development Milestones thereunder;

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(iii) the Commercial Rights Party shall grant such licenses and make such assignments as are necessary to put the Non-Commercial Rights Party in the position it would have been had it been the Commercial Rights Party pursuant to Section 4.2, and shall include in such assignments and licenses all Know-How (including all data and drug product in such Party's possession with respect to such Product) and Patents with respect to such Product generated in the course of the Commercial Rights Party's development and commercialization activities prior to such discontinuation or cessation; and

(iv) if the Non-Commercial Rights Party continues development of any Product for such Validation Program Target, the Non-Commercial Rights Party shall be responsible for paying to the Commercial Rights Party the applicable payment for any Development Milestone that is thereafter achieved with respect to such Product in accordance with Section 6.2(a) (but with no obligations with respect to previously achieved Development Milestones, whether or not such previously achieved Development Milestones were paid), and such Non-Commercial Rights Party shall thereafter be deemed the Commercial Rights Party (and the prior Commercial Rights Party shall be deemed the Non-Commercial Rights Party) with respect to such Validation Program Target.

4.4 Rights for Adimab Antibody Libraries.

(a) Notwithstanding anything to the contrary in this Agreement, Adimab shall not be restricted from maintaining any Antibody [***]. While statistically unlikely, it is possible that a [***] to one or more Third Parties, and this shall not be considered in any way to breach this Agreement, including Section 4.5(d).

(b) It is understood and agreed that Adimab is not required [***], any Validation Program Antibodies whatsoever, including those that may be [***] by Third Parties pursuant to Adimab Core Technology licenses and [***] from Adimab, including as set forth in Section 4.4(a). Adimab fully reserves any rights needed for the foregoing. To the extent that any license is required from Mersana under Validation Program Patents to allow for such activities, Mersana hereby grants such license under Validation Program Patents to Adimab solely to perform such activities and such license shall be non-exclusive, royalty-free, non-sublicenseable unless in connection with the transfer of any such library (it shall be sublicenseable in connection with any such transfer), and worldwide (and to avoid doubt is granted solely under Validation Program Patents and not under any Know-How or under any other Patents of Mersana), *provided that* such license shall solely provide the right for Adimab (or its Affiliate or transferee) to maintain such Validation Program Antibodies (including Selected Antibodies) in any such library and screen in such libraries, but shall not include the right for Adimab or any of its Affiliates, licensees or sublicensees to research, improve, modify, redesign, develop or commercialize any Selected Antibody, or conduct any manufacturing activities in connection therewith.

4.5 Limitations.

(a) **Core Technology**. Other than as specified in the Validation Plan or this Agreement, neither Party shall be required to disclose any of its Core Technology to the other Party during the Validation Program Term or at any other time.

(b) **Use of Adimab Materials**. Mersana shall not use Adimab Materials in any way other than pursuant to any license granted to Mersana under this Agreement while such license is in effect (including the licenses granted for Mersana's activities pursuant to the Validation Program). Among other

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things, this means that, except pursuant to such a license, Mersana and its Affiliates shall not, without Adimab's prior written consent, (i) provide Adimab Materials to any Third Party (other than pursuant to Mersana's exercise of such license for use solely within the scope of such license), or (ii) reverse engineer, carry out chemical analysis on (other than to carry out activities pursuant to this Agreement), sequence or modify the Adimab Materials. During the Validation Program Term: (A) Adimab retains title to the Adimab Materials relating to each Validation Program Target, including all quantities of Validation Program Antibodies that it provides to Mersana; (B) except pursuant to any license granted to Mersana under this Agreement while such license is in effect, such quantities of Validation Program Antibodies are for use by Mersana solely in assessing which Validation Program Antibodies to select as Selected Antibodies; and (C) except pursuant to any license granted to Mersana under this Agreement while such license is in effect, such quantities shall not be used in humans or for any other commercial purpose. Without limiting the generality of the foregoing, Mersana shall not provide Validation Program Antibodies or Validation Program ADCs to any Third Party for the purpose of conducting Antibody discovery.

(c) **Use of Mersana Materials**. Adimab shall not use Mersana Materials in any way other than pursuant to any license granted to Adimab under this Agreement while such license is in effect (including the licenses granted for Adimab's activities pursuant to the Validation Program). Among other things, this means that, except pursuant to such a license, Adimab and its Affiliates shall not, without Mersana's prior written consent, (i) provide Mersana Materials to any Third Party (other than pursuant to Adimab's exercise of such license for use solely within the scope of such license), or (ii) reverse engineer, carry out chemical analysis on (other than to carry out activities pursuant to this Agreement), sequence or modify the Mersana Materials. During the Validation Program Term: (A) Mersana retains title to the Mersana Materials relating to each Validation Program Target; (B) except pursuant to any license granted to

Adimab under this Agreement while such license is in effect, Validation Program ADCs provided by Mersana to Adimab are for use by Adimab solely in determining whether it desires to become the Commercial Rights Party with respect to the corresponding Validation Program Target; and (C) except pursuant to any license granted to Adimab under this Agreement while such license is in effect, such Validation Program ADCs shall not be used in humans or for any other commercial purpose. Without limiting the generality of the foregoing, Adimab shall not provide Validation Program ADCs to any Third Party for the purpose of producing ADCs, other than for purposes of manufacturing the Validation Program ADCs.

(d) **Selected Antibody Exclusivity**. Subject to Section 4.4, following the selection of the Selected Antibodies pursuant to Section 2.3(a), neither Party shall license, disclose or otherwise provide any Selected Antibody to any Third Party, or itself develop any Selected Antibody, except in accordance with (i) promotional activities pursuant to the Co- Marketing Program or (ii) the development and commercialization of the corresponding Validation Program ADCs pursuant to a license granted to such Party, as Commercial Rights Party, pursuant to this ARTICLE 4.

4.6 No Further Rights. Only licenses granted pursuant to the express terms of this Agreement shall be of any legal force or effect. No other license rights shall be granted or created by implication, estoppel or otherwise. Neither Party not its Affiliates shall practice the intellectual property of the other Party licensed under this Agreement outside the scope of an express license set forth in this Agreement.

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ARTICLE 5
GOVERNANCE

5.1 **Joint Steering Committee**. Promptly after the Effective Date, the Parties shall form a joint steering committee consisting of up to [***] representatives from each Party, one of which shall be such Party's [***] (the "**Joint Steering Committee**"). The Joint Steering Committee shall meet at least once every [***] months, or more frequently from time to time promptly after the date of a written request by either Party. Adimab's initial members of the Joint Steering Committee shall be [***]. Mersana's initial members shall be [***]. Each Party may change its Joint Steering Committee members upon written notice to the other Party. The Joint Steering Committee may meet in person or by teleconference or videoconference. Each Party shall designate one of its Joint Steering Committee members as co-chair. The co-chairs shall be responsible to set the agendas for each Joint Steering Committee meeting, and to circulate, finalize and agree on minutes of each Joint Steering Committee meeting within [***] business days after the meeting date.

5.2 **Joint Steering Committee Responsibilities**.

(a) Prior to the Validation Program Term, the Joint Steering Committee shall prepare, finalize and approve the Validation Plan as set forth in Section 2.1. The Joint Steering Committee may amend the Validation Plan as set forth in Section 5.3.

(b) During the Validation Program Term, the Joint Steering Committee shall review the progress of the Validation Program and facilitate communications between the Parties regarding progress in relation to the Validation Plan, and collaboration under the Validation Program generally.

(c) During the Term, the Joint Steering Committee shall oversee the technical aspects of any Third Party Collaboration and facilitate communications and cooperation between the Parties with respect thereto.

5.3 **Decision Making; Authority.** The Joint Steering Committee shall have the authority to decide the matters set forth in Section 5.2. All decisions of the Joint Steering Committee must be [***], with each Party's members collectively having [***] on each matter. The Joint Steering Committee shall also have the limited authority to amend the Validation Plan during the Validation Program Term; *provided*, *however*, that any amendment to the resources required to perform or timing for performance under the Validation Program shall not be approved by the Joint Steering Committee but shall require the mutual agreement of the Parties. The Joint Steering Committee shall have no power to amend or waive compliance with this Agreement.

ARTICLE 6
FINANCIAL TERMS

6.1 **Option Exercise Fee**. Within [***] days after a Party has been deemed the Commercial Rights Party for the Validation Program ADCs against a given Validation Program Target pursuant to Section 4.2, such Party shall pay to the other Party (the "**Non-Commercial Rights Party**") a non-creditable, nonrefundable option exercise fee of one million five hundred thousand dollars ($1,500,000) (the "**Option Exercise Fee**" for that Validation Program Target). Such payment shall be made only once per Validation Program Target.

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6.2 **Development Milestone Payments**.

(a) Products.

(i) Subject to Section 6.2(b), for each Product, the applicable Commercial Rights Party shall report in writing to the Non-Commercial Rights Party the achievement of each event in the following table (each a "**Development Milestone**") by or on behalf of the Commercial Rights Party, its Affiliates or licensees (including sublicensees), and pay the corresponding Development Milestone payment to the Non-Commercial Rights Party. The Commercial Rights Party will notify the Non-Commercial Rights Party of the achievement of each Development Milestone (whether achieved by or on behalf of

the Commercial Rights Party or its Affiliate or any other entity acting on behalf of any of them or having received a license, sublicense or other rights from any of the foregoing) within [***] days after it is achieved, and, subject to Section 6.2(b), shall make the corresponding milestone payment within [***] days after it is achieved:

Development Milestone Event	Development Milestone Payment (USD Millions)
Dosing of first patient with a Product in the first Phase I Clinical Trial	$1.5
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

(ii) Development Milestones are payable [***] per Product, [***] for such Product, [***]; *provided, however*, that if a Development Milestone has been paid by the Commercial Rights Party with respect to a Product that is abandoned by the Commercial Rights Party and the Commercial Rights Party subsequently elects to develop and commercialize a Product containing a Back-up Antibody or alternative drug payload, for the same primary indication, then such Development Milestone payment shall not be payable by the Commercializing Party with respect to such Product.

(iii) If Development Milestone (2) is achieved for a Product without Development Milestone (1) having been paid for such Product, then the Commercial Rights Party shall pay the payment for Development Milestone (1) along with the payment for Development Milestone (2). The same principle applies if any of Development Milestones [***] are achieved for a Product prior to

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Development Milestones [***], [***] being paid for such Product, or if any of Development Milestones [***] are achieved for a Product prior to Development Milestones [***] being paid for such Product.

(b) **Deferred Payment Option**. The Development Milestone set forth in Section 6.2(a)(i)(l) [***] and the Development Milestone set forth in Section 6.2(a)(i)(2) [***] shall be deemed met and accrue when each such Development Milestone is achieved for a given Product. The Commercial Rights Party may make the corresponding payment in accordance with Section 6.2(a), or provide written notice prior to the due date for such payment of its election to delay payment of such amount, subject to Section 4.3(c)(i), until the earlier of (i) [***], (ii) [***]. If the Commercial Rights Party delays any such payment, the Commercial Rights Party shall pay the Non-Commercial Rights Party, on the [***] every calendar year, interest accrued on such amounts at a rate of [***] per annum (calculated on a daily basis), from the date the Commercial Rights Party provided notice of its election to delay payment until such Development Milestones and any interest thereon are paid in full, subject to Section 4.3(c).

6.3 Royalty Payments.

(a) Royalty Rate. As to each Product for which it is the Commercial Rights Party, the Commercial Rights Party shall pay the Non-Commercial Rights Party royalties at a rate equal to [***] of Net Sales during the applicable Royalty Term, in accordance with Sections 6.5.

(b) Royalty Term. “Royalty Term” shall mean, on a Product-by-Product and country-by-country basis, the period during which (i) [***], or (ii) [***].

6.4 Third Party Payments. Each Party shall be solely responsible for any amount payable as a consequence of any activity under this Agreement pursuant to any Existing Third Party Agreement to which it is a party. The applicable Commercial Rights Party shall be solely responsible for any other amounts payable to any Third Party as a consequence of the development or commercialization of any Product hereunder.

6.5 Royalty Reports and Payment. With respect to each calendar quarter, within [***] days after the end of the calendar quarter, the Commercial Rights Party shall provide to the Non-Commercial Rights Party a written report stating the number and description of all Products sold during the relevant calendar quarter and the Net Sales, on a country-by- country and Product-by-Product basis. The report shall show how Net Sales were calculated. Payment of all royalties due under Section 6.3 for Net Sales of Products during such calendar quarter shall accompany such report.

6.6 Payment Method. All payments due under this Agreement to the Non- Commercial Rights Party shall be made by bank wire transfer in immediately available funds to an account designated by the Non-Commercial Rights Party. All payments hereunder shall be made in United States dollars.

6.7 Taxes. The Commercial Rights Party shall provide the Non-Commercial Rights Party with reasonable assistance in order to allow the Non-Commercial Rights Party to obtain the benefit of any present or future treaty against double taxation which may apply to any payments under this Agreement. The Commercial Rights Party shall be responsible for, and may withhold from payments made to the Non-Commercial Rights Party under this Agreement, any taxes required to be withheld by the Commercial Rights Party under applicable law. Accordingly, if any such taxes are levied on such payments due hereunder (“**Withholding Taxes**”), the Commercial Rights Party shall (a) deduct the Withholding Taxes from the payment amount, (b) pay all applicable Withholding Taxes to the proper

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taxing authority, and (c) send evidence of the obligation together with proof of tax payment to the Non-Commercial Rights Party within [***] days following that tax payment. The Non-Commercial Rights Party is entitled to require that payment be made from a United States account.

6.8 Records; Inspection.

(a) The Commercial Rights Party shall keep and ensure that its Affiliates keep complete and accurate records of its sales and other dispositions (including use in clinical trials, or provision on a compassionate use basis or as marketing samples) of applicable Products, including all records that may be necessary for the purposes of calculating all payments due under this Agreement. The Commercial Rights Party shall make such records available for inspection by an accounting firm selected by the Non-Commercial Rights Party and reasonably acceptable to the Commercial Rights Party at the Commercial Rights Party's premises in the United States on reasonable notice during regular business hours.

(b) At the Non-Commercial Rights Party's expense no more than [***] per calendar year, the Non-Commercial Rights Party has the right to retain an independent certified public accountant from a nationally recognized (in the United States) accounting firm to perform on behalf of the Non-Commercial Rights Party an audit, conducted in accordance with United States generally accepted accounting principles (GAAP), of such books and records of the Commercial Rights Party and its Affiliates of the immediately preceding [***]-calendar year period, as are deemed necessary by the independent public accountant to report on Net Sales for the period or periods requested by the Non-Commercial Rights Party and the correctness of any report or payments made under this Agreement.

(c) If the audit reveals an underpayment, the Commercial Rights Party shall promptly pay to the Non-Commercial Rights Party the amount of any underpayment plus interest in accordance with Section 6.11. If the audit reveals an overpayment, the Non-Commercial Rights Party shall promptly refund the Commercial Rights Party the amount of any overpayment. If the audit reveals that the amount payable by the Commercial Rights Party to the Non- Commercial Rights Party has been understated by more than [***] for the period audited, the Commercial Rights Party shall, in addition, pay the costs of such audit.

6.9 Licensee/Sublicensee Reports, Records and Audits. If the Commercial Rights Party grants any Product licenses or sublicenses under the rights assigned or licensed to the Commercial Rights Party in Section 4.2, then the agreements for such licenses and sublicenses shall include an obligation for the recipient of rights to: (a) maintain records adequate to document and verify the proper payments (including milestones and royalties) to be paid to the Non-Commercial Rights Party, if any; (b) provide for reporting to the Commercial Rights Party (with the reports to be sharable with the Non-Commercial Rights Party) sufficient to allow for such verification (by way of non-limiting example, reporting on a timely basis of Development Milestones achieved by the sublicensee or licensee and Net Sales made by or for them); and (c) allow the Commercial Rights Party (as requested by the Non-Commercial Rights Party) to verify the payments due in a manner consistent with Section 6.8(b).

6.10 Foreign Exchange. Conversion of foreign currency to United States dollars shall be made at the conversion rate existing in the United States (as reported in The Wall Street Journal') on the last business day of the applicable calendar quarter. If The Wall Street Journal ceases to be published or if the Parties agree otherwise, then the rate of exchange to be used shall be that reported in such other business publication of national circulation in the United States as the Parties reasonably agree.

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6.11 Non-refundable, non-creditable payments. Each payment that is required under this Agreement is non-refundable, non-creditable, and not subject to offset.

6.12 Late Payments. Any amount owed by the Commercial Rights Party to the Non- Commercial Rights Party under this Agreement that is not paid within the applicable time period set forth herein will accrue interest at the rate of [***] above the then-applicable short-term three-month London Interbank Offered Rate (LIBOR) as quoted in the Wall Street Journal (or if it no longer exists, a similarly authoritative source) calculated on a daily basis, or, if lower, the highest rate permitted under applicable law.

ARTICLE 7
INTELLECTUAL PROPERTY

7.1 Ownership; License to Adimab of Certain Program Patents.

(a) **Background Patents and Core Technology**.

(i) Adimab shall own and Control all Adimab Background Patents, Adimab Core Technology, and Adimab Core Technology Improvements regardless of inventorship.

(ii) Mersana shall own and Control all Mersana Background Patents, Mersana Core Technology, and Mersana Core Technology Improvements, regardless of inventorship.

(iii) To avoid doubt, nothing in this Agreement shall alter the ownership of the Parties' respective Patents and technology that are not Program Patents or Program Know-How.

(b) **Program Patents**.

(i) Subject to the terms and conditions of any Third Party Collaboration, Adimab shall solely own, regardless of inventorship, all Program Patents included in Adimab Core Technology Improvements and, subject to Section 4.2(b)(ii) and the terms and conditions of any Third Party Collaboration, Adimab shall solely own, regardless of inventorship, all Program Antibody Patents.

(ii) Subject to the terms and conditions of any Third Party Collaboration, Mersana shall solely own, regardless of inventorship, all Program Patents included in Mersana Core Technology Improvements and, subject to Section 4.2(c)(ii) and the terms and conditions of any Third Party Collaboration, Mersana shall solely own, regardless of inventorship, all Program Non-Antibody Patents.

(iii) Subject to the terms and conditions of any Third Party Collaboration, all Joint Program Patents shall be jointly owned by the Parties.

(c) **Program Know-How**.

(i) Subject to the terms and conditions of any Third Party Collaboration, Program Know-How that constitutes Adimab Core Technology Improvements shall be owned by Adimab and considered Adimab's Confidential Information, and, subject to Section 4.2(b)(ii) and the terms and conditions of any Third Party Collaboration, all Program Antibodies shall be owned by Adimab.

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(ii) Subject to the terms and conditions of any Third Party Collaboration, Program Know-How that constitutes Mersana Core Technology Improvements shall be owned by Mersana and considered Mersana's Confidential Information, and, subject to Section 4.2(c)(ii) and the terms and conditions of any Third Party Collaboration, all Linkers and Payloads shall be owned by Mersana.

(iii) Subject to the terms and conditions of any Third Party Collaboration, all Program Know-How other than Program Know-How referred to in the foregoing two (2) clauses of this Section 7.l(c) shall be jointly owned by the Parties and shall be considered the Confidential Information of both Parties.

(iv) The Parties' confidentiality and non-use obligations under Article 8 as to Program Know-How shall be subject to Section 8.2; *provided*, *however*, that Sections 8.2(c) and 8.2(e) shall not apply to Program Know-How generated by one Party to the extent such Program Know-How constitutes the Confidential Information of the other Party or of both Parties under this Section 7.1(c).

(d) **License to Adimab of Certain Program Patents**. Mersana hereby grants to Adimab a fully paid-up, non-royalty-bearing, perpetual, worldwide, non-exclusive license, in the Adimab Field, with the right to grant sublicenses, under Mersana's rights and interests in Validation Program ADC Patents and Third Party Collaboration ADC Patents, to make, use, offer for sale, sell and import products other than Validation Program ADCs and Third Party Collaboration ADCs. For the avoidance of doubt, such license is subject to Section 4.5(d).

7.2 Implementation.

(a) **Assignments**. Each Party hereby assigns to the other Party Program Patents and Program Know-How as necessary to achieve ownership as provided in Section 7.1. Each assigning Party shall execute and deliver all documents and instruments reasonably requested by the other Party to evidence or record such assignment or to file for, perfect or enforce the assigned rights. Each assigning Party hereby appoints the other Party as attorney-in- fact solely to execute and deliver the foregoing documents and instruments if such other Party after making reasonable inquiry does not obtain them from the assigning Party. Each Party (and its Affiliates) shall perform its activities under this Agreement through personnel who have made a similar assignment and appointment to and of such Party or its Affiliate. Each assigning Party shall make its relevant personnel (and their assignments and signatures on such documents and instruments) reasonably available to the other Party for assistance in accordance with this ARTICLE 7 at no charge.

(b) **Joint Ownership Implementation**. As regards Joint Program Patents and Program Know-How jointly owned by the Parties pursuant to Section 7.1(b)(iii) and Section 7.1(c)(iii), subject to Sections 4.2(b) and 4.2(c) and the terms and conditions of any Third Party Collaboration, each Party is entitled to practice and license them without consent of and without a duty of accounting to the other Party. Subject to Sections 4.2(b) and 4.2(c) and the terms and conditions of any Third Party Collaboration, each Party hereby grants all permissions, consents and waivers with respect to, and all licenses under, the Joint Program Patents and Program Know-How jointly owned by the Parties pursuant to Section 7.1(b)(iii) and Section 7.1(c)(iii) as necessary to achieve throughout the world the nature of joint ownership rights of the foregoing as described in Section 7.1 and the foregoing sentence. To avoid doubt, this Section 7.2(b) does not imply any permission, consent or waiver with respect to, or license

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under, any Patent, Know- How or invention other than the Joint Program Patents and Program Know-How jointly owned by the Parties pursuant to Section 7.1(b)(iii) and Section 7.1(c)(iii).

7.3 Disclosure. At [***] intervals throughout the Term, each Party shall promptly disclose to the other Party the making, conception or reduction to practice of any Program Know-How as to which the other Party is granted sole or joint ownership rights pursuant to Section 7.1(b)(iii) or Section 7.1(c)(iii) or that would be Covered by Program Patents as to which the other Party is granted sole or joint ownership rights pursuant to Section 7.1(b).

Such disclosure shall occur as soon as possible, but in any case within [***] days after the Party with such duty to disclose determines such Program Know-How have been made, conceived or reduced to practice. To avoid doubt, this Section 7.2(b) shall not be read to require Adimab to disclose Program Know-How constituting Adimab Core Technology Improvements to Mersana, or to require Mersana to disclose Program Know-How constituting Mersana Core Technology Improvements to Adimab. As between the Parties, the Party that is granted sole ownership of any given Program Know-How pursuant to Section 7.l(c) shall be

considered the "disclosing Party" for purposes of ARTICLE 8, even if such Party first learned of such Program Know-How through its disclosure by the other Party pursuant to this Section 7.2(b).

7.4 Program Patent Prosecution, Maintenance and Enforcement.

(a) **Adimab Core Technology**. Subject to the terms and conditions of any Third Party Collaboration, Adimab shall have the sole right (but not the obligation) to file, prosecute, maintain, defend and enforce all Program Patents included in Adimab Core Technology Improvements and, subject to Section 7.4(d) and the terms and conditions of any Third Party Collaboration, all Program Antibody Patents, all at its own expense.

(b) **Mersana Core Technology**. Subject to the terms and conditions of any Third Party Collaboration, Mersana shall have the sole right (but not the obligation) to file, prosecute, maintain, defend and enforce all Program Patents included in Mersana Core Technology Improvements and, subject to Section 7.4(d) and the terms and conditions of any Third Party Collaboration, all Program Non-Antibody Patents, all at its own expense.

(c) **Joint Program Patents**. Subject to the terms and conditions of any Third Party Collaboration, Mersana shall have the first right (but not the obligation) to file, prosecute, maintain, defend and enforce all Joint Program Patents. Subject to the terms and conditions of any Third Party Collaboration, if at any time Mersana elects not to file, prosecute, maintain, defend or enforce any Joint Program Patent, Mersana shall promptly (and in all cases leaving sufficient time for Adimab to undertake such filing, prosecution, maintenance, defense or enforcement without a loss of rights) notify Adimab of such election, in which case Adimab may undertake such filing, prosecution, maintenance, defense or enforcement upon notice thereof to Mersana. The Party undertaking the filing, prosecution, maintenance, defense and enforcement of any Joint Program Patent pursuant to this Section 7.4(c) (the "**Filing Party**") shall consult and reasonably cooperate with the other Party (the "**Non-Filing Party**") in connection therewith, which shall include the following: (a) allowing the Non-Filing Party a reasonable opportunity and reasonable time to review and comment regarding relevant material communications and drafts of any material responses or proposed filings before any applicable filings are submitted to any relevant patent office or Government Authority; and (b) incorporating any reasonable comments offered by the Non-Filing Party in any final filings submitted by the Filing Party to any relevant patent office or

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Government Authority. All costs, expenses, or fees incurred in connection with the filing, prosecution, maintenance, defense or enforcement of any Joint Program Patents pursuant to this Section 7.4(c) shall be divided equally between Mersana and Adimab; *provided that*, as to any Joint Program Patent in any country, the Non-Filing Party may, upon notice to the Filing Party, at any time elect not to pay any such costs, expenses, or fees incurred after the date of such notice, in which case the Non-Filing Party shall assign to the Filing Party all of the Non-Filing Party's rights in such Joint Program Patent in such country.

(d) **Validation Program Patents**. From and after the date on which a Party becomes the Commercial Rights Party for a Validation Program Target pursuant to Section 4.2 or Section 4.3(c)(iv), such Party shall have the first right (but not the obligation) to file, prosecute, maintain, defend and enforce all Validation Program Patents Covering Selected Antibodies directed at such Validation Program Target, all at its own expense. If at any time such Commercial Rights Party elects not to file, prosecute, maintain, defend or enforce any such Validation Program Patent, it shall promptly (and in all cases leaving sufficient time for the Non- Commercial Rights Party to undertake such filing, prosecution, maintenance, defense or enforcement without a loss of rights) notify the Non-Commercial Rights Party of such election, in which case the Non-Commercial Rights Party may undertake such filing, prosecution, maintenance, defense or enforcement upon notice thereof to the Commercial Rights Party, all at the Non-Commercial Rights Party's expense.

7.5 Patent Term Restoration. The Parties shall reasonably cooperate with each other, including by providing necessary information and assistance as the other Party may reasonably request, to obtain patent term restoration or supplemental protection certificates or their equivalents in any country where applicable to Program Patents.

7.6 Cooperation of the Parties. At the reasonable request of the responsible (as provided for in this ARTICLE 7) Party, the other Party agrees to cooperate fully in the preparation, filing, prosecution, enforcement and maintenance of any Program Patents under this Agreement. Such cooperation includes (i) coordinating the timing of the filing of any Program Antibody Patent or Program Non-Antibody Patent such that the Program Antibody Patent and any corresponding Program Non-Antibody Patent that relate to the [***]; (ii) executing all papers and instruments (or causing its personnel to do so) reasonably useful to enable the other Party to apply for and to prosecute patent applications in any country; and (iii) promptly informing the other Party of any matters corning to such Party's attention that may affect the preparation, filing, prosecution, enforcement or maintenance of any Program Patents. Neither Party shall be required pursuant to this Section 7.6 to disclose its Core Technology to the other Party.

7.7 Additional Provisions Relating to Infringement or Misappropriation of Program Technology by Third Parties.

(a) **Notification**. Each Party shall promptly notify the other Party in writing if the notifying Party reasonably believes that any Program Patent is being or has been infringed, or if the notifying Party reasonably believes that any Program Know-How is being or has been misappropriated, by a Third Party. Subject to the terms and conditions of any Third Party Collaboration, a Party solely owning such Program Patent or Program Know-How under this Agreement shall have the sole right (but not the obligation) to enforce such Party's rights therein against such Third Party, the Parties' rights to enforce Joint Program Patents shall be as set forth in Section 7.4(c) and the Parties shall discuss and mutually determine what actions, if any, to take with respect to any misappropriation by a Third Party of jointly owned Program Know-How.

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(b) **Allocation of Proceeds**. If monetary damages are recovered from any Third Party in an action brought by a Party as described in Section 7.7(a), then subject to the terms and conditions of any Third Party Collaboration and subject to any agreement by the Parties to the contrary, such recovery shall be [***].

7.8 CREATE Act. It is the intention of the Parties that this Agreement is a "joint research agreement" as that phrase is defined in Public Law 108-453.

ARTICLE 8
CONFIDENTIALITY; PUBLICITY

8.1 General.

(a) Any and all information disclosed or submitted in writing or in other tangible form (or if disclosed orally, that is indicated to be confidential at the time of disclosure and confirmed in writing as such within [***] days after initial disclosure) by one Party to the other Party under this Agreement or the Confidentiality Agreement is the "**Confidential Information**" of the disclosing Party. In addition, information embodied in Adimab Materials (other than Selected Antibodies) is Adimab's Confidential Information and information embodied in Mersana Materials (other than Selected Antibodies) is Mersana's Confidential Information, in each case, regardless of whether such information is marked or otherwise indicated to be confidential. Know-How constituting Mersana Core Technology and Mersana Core Technology Improvements shall be deemed to be the Confidential Information of Mersana and Know-How constituting Adimab Core Technology and Adimab Core Technology Improvements shall be deemed to be the Confidential Information of Adimab, in each case, regardless of whether such information is marked or otherwise indicated to be confidential.

(b) To avoid doubt, (i) information (whether as to amino acid sequence or nucleic acid sequence) with respect to Validation Program Antibodies and the information that the Validation Program Antibodies bind the applicable Validation Program Target shall be deemed the Confidential Information of Adimab, except that from and after the date that Mersana becomes the Commercial Rights Party pursuant to Section 4.2 with respect to any Validation Program Target, such information with respect to the Selected Antibodies for such Validation Program Target shall be deemed the Confidential Information of Mersana, subject to Section 4.4, and (ii) information (whether as to amino acid sequence or nucleic acid sequence) with respect to Validation Program ADCs shall be deemed the Confidential Information of Mersana, except that from and after the date that Adimab becomes the Commercial Rights Party pursuant to Section 4.2 with respect to any Validation Program Target, such information with respect to the Validation Program ADCs for such Validation Program Target shall be deemed the Confidential Information of Adimab.

(c) Each Party shall receive and maintain the other Party's Confidential Information in strict confidence. Neither Party shall disclose any Confidential Information of the other Party to any Third Party. Neither Party shall use the Confidential Information of the other Party for any purpose other than as required to perform its obligations or exercise its rights hereunder. Each Party may disclose the other Party's Confidential Information to the receiving Party's employees and contractors requiring access thereto for the purposes of this Agreement, *provided*, *however*, that prior to making any such disclosures, each such person shall be bound by written agreement to maintain such Confidential Information in confidence and not to use such information for any purpose other than in accordance with the terms and conditions of this Agreement. Each Party agrees to take all steps necessary to ensure that

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the other Party's Confidential Information shall be maintained in confidence, including such steps as such Party takes to prevent the disclosure of its own proprietary and confidential information of like character. Each Party agrees that this Agreement shall be binding upon its Affiliates, and upon the employees and contractors involved in the Validation Program of such Party and its Affiliates. Each Party shall take all steps necessary to ensure that its Affiliates and employees and contractors shall comply with the terms and conditions of this Agreement. The foregoing obligations of confidentiality and non-use shall survive, and remain in effect for a period of [***] years from, the termination or expiration of this Agreement in accordance with ARTICLE 11.

8.2 Exclusions from Nondisclosure Obligation. The nondisclosure and nonuse obligations in Section 8.1 shall not apply to any Confidential Information to the extent that the receiving Party (or the Party whose Confidential Information it is not, if different) can establish by competent written proof that it:

(a) at the time of disclosure is publicly known;

(b) after disclosure, becomes publicly known by publication or otherwise, except by breach of this Agreement by such Party;

(c) was in such Party's possession in documentary form at the time of the earlier of (i) disclosure hereunder and (ii) disclosure under the Confidentiality Agreement;

(d) is received by such Party from a Third Party who, to the knowledge of such Party, has the lawful right to disclose such Confidential Information; or

(e) is independently developed by such Party (i.e., without reference to other Confidential Information of the disclosing Party).

8.3 Required Disclosures. If either Party is required, pursuant to a governmental law, regulation or order, to disclose any Confidential Information of the other Party, the receiving Party (a) shall give advance written notice to the disclosing Party, (b) shall make a reasonable effort to assist the other Party to obtain a protective order requiring that the Confidential Information so disclosed be used only for the purposes for which the law or regulation required, and (c) shall use and disclose the Confidential Information solely to the extent required by the law or regulation.

8.4 Permitted Disclosures. Each Party may disclose results of or data or information arising from the Validation Program that constitutes Confidential Information of the other Party, but excluding all information regarding the Mersana Core Technology, Mersana Core Technology Improvements, Adimab Core Technology and Adimab Core Technology Improvements, as applicable, under legally binding obligations of confidence and limited use to legal,

financial and investment banking advisors; and potential and actual investors, acquirers and licensees or sublicensees doing diligence and counsel for the foregoing.

8.5 Terms of Agreement. The terms of this Agreement are the Confidential Information of both Parties. However, each Party shall be entitled to disclose the terms of this Agreement under legally binding obligations of confidence and limited use to: legal, financial and investment banking advisors; and potential and actual investors, acquirers and licensees or sublicensees doing diligence and counsel for the foregoing. In addition, if legally required, a copy of this Agreement may be filed by either Party with

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the SEC (or relevant counterpart outside the United States). In that case, the filing Party will if requested by the other Party diligently seek confidential treatment for terms of this Agreement for which confidential treatment is reasonably available, and shall provide the non-filing Party reasonable advance notice of the terms proposed for redactions and a reasonable opportunity to request that the filing Party make additional redactions to the extent confidential treatment is reasonably available under the law. The filing Party shall seek and diligently pursue such confidential treatment requested by the non-filing Party.

8.6 Publicity. Within [***] days after the Effective Date, the Parties shall publish a joint press release in the form attached hereto as Exhibit D. Other than repeating information in such press release (or any subsequent mutually agreed press release), neither Party will generate or allow any further publicity regarding this Agreement or the transactions or research contemplated hereunder in which the other Party is identified, without giving the other Party the opportunity to review, comment and approve. The Parties recognize the importance of announcing that a Party has become a Commercial Rights Party hereunder or has achieved any Development Milestone with respect to any Validation Program ADC, or that the Parties have entered into a Third Party Collaboration, and each Party is entitled to disclose such occurrences. Accordingly, the Parties hereby agree that each such event shall be publicly announced by the Parties if requested by either Party, and the Parties shall mutually agree upon the text of a press release to announce each such event. Neither Party shall unreasonably withhold its consent to the manner or terms in which the other Party proposes to make such disclosure. It is understood and agreed that each Party sometimes issues press releases that group multiple achievements of such Party, and that if a Party chooses to group any announcement under this Agreement with other accomplishments or events not relating to this Agreement, then the only portion of the press release for which the other Party shall have a consent right (such consent not to be unreasonably withheld) shall be those portions that relate to this Agreement.

8.7 Publications. Each Party acknowledges the other Party's interest in publishing the results of its activities under the Validation Program in order to obtain recognition within the scientific community and to advance the state of scientific knowledge, and each Party will be permitted to make such publications in accordance with this Section 8.7. Each Party also recognizes the mutual interest in obtaining valid patent protection and in protecting business interests and trade secrets. Consequently, except for disclosures otherwise permitted pursuant to ARTICLE 3 or this ARTICLE 8, either Party, its employees or consultants wishing to make a publication of its activities under the Validation Program shall deliver to the other Party a copy of the proposed written publication or an outline of an oral disclosure at least [***] days prior to submission for publication or presentation. The reviewing Party shall have the right (a) to propose modifications to the publication or presentation for patent reasons, trade secret reasons or business reasons or (b) to request a reasonable delay in publication or presentation in order to protect patentable information. If the reviewing Party requests a delay for patent reasons, the publishing Party shall delay submission or presentation for a period of [***] days to enable patent applications protecting each Party's rights in such information. Upon expiration of such [***] days, the publishing Party shall be free to proceed with the publication or presentation. If the reviewing Party requests modifications to the publication or presentation for trade secret or business reasons, the publishing Party shall edit such publication to prevent disclosure of trade secret or proprietary business information prior to submission of the publication or presentation. Notwithstanding the foregoing, if a Party becomes a Commercial Rights Party with respect to a Validation Program ADC, the other Party will not have the right to make any publication that relates to such Validation Program ADC without the prior written consent of the Commercial Rights Party.

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8.8 Certain Data. Notwithstanding this ARTICLE 8, without disclosing Mersana's identity or the identity of the applicable Validation Program Target (although the class of protein of the applicable Validation Program Target may be disclosed), or the sequence of any Selected Antibody, in order to describe the general capabilities and performance of the Adimab platform, Adimab shall be entitled to disclose generally [***], including the following: (a) [***]; (b) [***]; (c) [***]; (d) [***].

ARTICLE 9
REPRESENTATIONS AND WARRANTIES

9.1 Mutual. Each Party hereby represents and warrants to the other that:

(a) it is duly organized and validly existing under the laws of its jurisdiction of incorporation, and has full corporate or other power and authority to enter into this Agreement and to carry out the provisions hereof;

(b) it is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder, including granting the assignments and licenses that it grants under this Agreement, and the person executing this Agreement on its behalf has been duly authorized to do so by all requisite corporate action;

(c) this Agreement is legally binding upon it and enforceable in accordance with its terms;

(d) the execution, delivery and performance of this Agreement by it and its compliance with the terms and conditions hereof does not and shall not violate any material law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it, or conflict with or result in a breach of any of the terms and conditions of or constitute a default under (i) any agreement or other instrument binding or affecting it or its Affiliate or the property of either of them, (ii) the provisions of its bylaws or other governing documents or (iii) any order, writ, injunction or decree of any governmental authority entered against it or by which any of its property is bound;

(e) it has not employed or engaged, and will not employ or engage, any person who has been debarred by any Regulatory Authority, or, to its knowledge, is the subject of debarment proceedings by a Regulatory Authority;

(f) it shall not enter into any agreement with any Third Party while this Agreement is in effect that would conflict with the rights granted to the other Party in this Agreement; and

(g) each Existing Third Party Agreement to which it is a Party is identified on Exhibit E attached hereto.

9.2 By Mersana. Mersana hereby represents and warrants that:

(a) it has not received any explicit written notification from a Third Party indicating that its conduct of the activities contemplated in the Validation Program using the Mersana Core Technology would infringe any Patent owned or controlled by such Third Party or misappropriate any trade secret of any Third Party; and

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(b) subject to Section 9.4(b), there are and shall be no contractual or other restrictions on the use of Validation Program ADCs (including the drug payloads) that would be inconsistent with the use of the Validation Program ADCs as contemplated herein, and Adimab's use of the Validation Program ADCs as contemplated herein (including in the event it becomes the Commercial Rights Party with respect thereto) would not constitute a breach of any contract between Mersana or its Affiliate and any Third Party.

9.3 By Adimab. Adimab hereby represents and warrants that:

(a) it has not received any explicit written notification from a Third Party indicating that its conduct of the activities contemplated in the Validation Program using the Adimab Core Technology would infringe any Patent owned or controlled by such Third Party or misappropriate any trade secret of any Third Party;

(b) there are and shall be no contractual restrictions on the use of Validation Program Antibodies that would be inconsistent with the use of the Validation Program Antibodies as contemplated herein, and Mersana's use of the Validation Program Antibodies as contemplated herein would not constitute a breach of any contract between Adimab or its Affiliate and any Third Party; and

(c) Adimab is not a party to a business transaction as of the Effective Date with [***].

9.4 DISCLAIMER OF WARRANTIES.

(a) OTHER THAN THE EXPRESS WARRANTIES OF THIS ARTICLE 9, EACH PARTY DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR THAT ANY PRODUCTS DEVELOPED UNDER THIS AGREEMENT ARE FREE FROM THE RIGHTFUL CLAIM OF ANY THIRD PARTY, BY WAY OF INFRINGEMENT OR THE LIKE, OR THAT ANY PROGRAM PATENTS WILL ISSUE OR BE VALID OR ENFORCEABLE.

(b) NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, EACH PARTY DISCLAIMS ANY REPRESENTATION OR WARRANTY THAT THE VALIDATION PROGRAM ANTIBODIES DO NOT INFRINGE THE RIGHTS OF ANY THIRD PARTY.

ARTICLE 10
INDEMNIFICATION

10.1 By Adimab. Adimab hereby agrees to indemnify, defend and hold harmless (collectively, "Indemnify") Mersana, its Affiliates and its and their directors, officers, agents and employees (collectively, "Mersana Indemnitees") from and against any and all liability, loss, damage or expense (including reasonable attorneys' fees) (collectively, "Losses") they may suffer as the result of Third Party claims, demands and actions (collectively, "Third Party Claims") to the extent arising out of or relating to: (a) any breach of a representation, warranty or covenant made by Adimab hereunder; (b) the negligence or intentional misconduct by any Adimab Indemnitee; (c) Adimab's conduct of any Validation Program activity; or (d) Adimab's (or its Affiliate's, licensee's, sublicensee's or distributor's) research, testing, development, manufacture, use, sale, distribution, licensing or commercialization of Products for which

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Adimab is the Commercial Rights Party (including activities by CROs or other contractors on behalf of any of the foregoing).

10.2 By Mersana. Mersana hereby agrees to Indemnify Adimab, its Affiliates and its and their directors, officers, agents and employees (collectively, "Adimab Indemnitees") from and against any and all Losses they may suffer as the result of Third Party Claims to the extent arising out of or relating to: (a) any breach of a representation, warranty or covenant made by Mersana hereunder, (b) the negligence or intentional misconduct by any Mersana Indemnitee; (c) Mersana's conduct of any Validation Program activity; or (d) Mersana's (or its Affiliate's, licensee's, sublicensee's or distributor's) research, testing, development, manufacture, use, sale, distribution, licensing or commercialization of any Product for which Mersana is the Commercial Rights Party (including activities by CROs or other contractors on behalf of any of the foregoing).

10.3 Procedures. The Adimab Indemnitees or Mersana Indemnitees, as the case may be, will (a) provide the indemnifying Party with prompt written notice of any Third Party Claim giving rise to an indemnification obligation hereunder, (b) permit the indemnifying Party to assume full responsibility to investigate, prepare for and defend against any such Third Party Claim, (c) provide reasonable assistance in the defense of such claim at the indemnifying Party's reasonable expense, and (d) not compromise or settling such Third Party Claim without the indemnifying Party's advance written consent; *provided, however*, that no delay on the part of the indemnified Party in notifying the indemnifying Party shall relieve the indemnifying Party from any obligation hereunder unless (and then only to the extent that) the indemnifying Party is actually prejudiced thereby. Notwithstanding the foregoing, if the indemnifying Party does assume control of the defense of the Third Party Claim, the indemnifying Party will not agree to any settlement of such Third Party Claim or consent to any judgment in respect thereof that does not include a complete and unconditional release of the indemnified Party from all liability with respect thereto or that imposes any liability or obligation on the indemnified Party without the prior written consent of the indemnified Party. If the Parties cannot agree as to the application of the foregoing Sections 10.1 and 10.2, each may conduct separate defenses of the Third Party Claim, and each Party reserves the right to claim indemnity from the other in accordance with this ARTICLE 10 upon the resolution of the underlying Third Party Claim.

10.4 Limitation of Liability. EXCEPT TO THE EXTENT SUCH PARTY MAY BE REQUIRED TO INDEMNIFY THE OTHER PARTY UNDER THIS ARTICLE 10 (INDEMNIFICATION) OR AS REGARDS A BREACH OF A PARTY'S RESPONSIBILITIES PURSUANT TO ARTICLE 8 (CONFIDENTIALITY; PUBLICITY), NEITHER PARTY NOR ITS RESPECTIVE AFFILIATES SHALL BE LIABLE FOR ANY SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES HEREUNDER, WHETHER IN CONTRACT, WARRANTY, TORT, STRICT LIABILITY OR OTHERWISE.

ARTICLE 11
TERM; TERMINATION

11.1 Term. The initial term of this Agreement shall commence on the Effective Date and shall continue, unless earlier terminated pursuant to the provisions of this ARTICLE 11, until the expiration of the Exclusive Co-Marketing Term. This Agreement shall automatically renew for consecutive [***] year renewal terms unless earlier terminated pursuant to the provisions of this ARTICLE 11 or unless either Party provides written notice of non-renewal to the other Party at least [***] days prior to the expiration

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of the then-current term. The initial term and each renewal term are collectively referred to herein as the "**Term**".

11.2 Material Breach. Either Party may terminate this Agreement for the material breach of this Agreement by the other Party if such breach remains uncured [***] days following notice from the non-breaching Party to the breaching Party specifying such breach; *provided, however*, that, notwithstanding the foregoing, in the event of a material breach that is capable of being cured, but is not reasonably capable of being cured within the [***] day cure period but is curable within [***] months, if the breaching Party:

(a) proposes within such [***] day period a written plan to cure such breach within a reasonable time frame, not to exceed [***] months; and

(b) makes good faith efforts to cure such default and to implement such written cure plan;

then the non-breaching Party may not terminate this Agreement prior to [***] of the notice from the non-breaching Party for so long as the breaching Party is diligently pursuing such cure in accordance with such plan. No such extension of such cure period shall apply to breaches of payment obligations, but if the alleged material breach relates to non-payment of any amount due under this Agreement, the cure period shall be tolled pending resolution of any *bona fide* dispute between the Parties as to whether such payment is due.

11.3 Termination Due to Change of Control. In the event of the Change of Control of a Party, such Party shall provide the other Party with written notice thereof within [***] days after the closing of the transaction that resulted in such Change of Control. Either Party may terminate this Agreement immediately by providing the other Party with written notice of termination at any time within [***] days following any such notice of a Change of Control.

11.4 Survival in All Cases. Termination of this Agreement shall be without prejudice to or limitation on any other remedies available to, or any accrued obligation of, either Party. In addition, Sections 4.2, 4.3, 4.4, 4.5, 4.6, 11.4, 11.5 and ARTICLES 1, 6, 7, 8, 10 and 12 shall survive any expiration or termination of this Agreement.

11.5 Return or Destruction of Confidential Information. Promptly after the termination or expiration of this Agreement for any reason, each Party shall return to the other Party or destroy, at such other Party's direction, all tangible manifestations of such other Party's Confidential Information at that time in the possession of the receiving Party.

ARTICLE 12
MISCELLANEOUS

12.1 Independent Contractors. The Parties shall perform their obligations under this Agreement as independent contractors. Nothing contained in this Agreement shall be construed to be inconsistent with such relationship or status. This Agreement and the Parties' relationship in connection with it shall not constitute, create or in any way be interpreted as a joint venture, fiduciary relationship, partnership or agency of any kind.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

12.2 Dispute Resolution. Either Party may by written notice refer any dispute in connection with this Agreement to [***] of the Parties ([***]) for good-faith discussions over a period of not less than [***] days (the "[***] Discussions"). Each Party will make its [***] reasonably available for such discussions. If the Parties are unable to resolve the dispute through the [***] Discussions within such [***] days, then either Party may proceed to seek a judicial resolution of the matter.

12.3 Governing Law and Venue. This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts without regard to its conflict of laws principles. Any and all judicial resolutions of disputes in connection with this Agreement shall be in the state or federal courts located in Boston, Massachusetts, and each Party hereby consents to the jurisdiction and venue of such courts, and waives all defenses it may have to such jurisdiction and venue, including that the court cannot assert personal jurisdiction over the defendant and *forum non conveniens*.

12.4 Entire Agreement. This Agreement (including its Exhibits) sets forth all the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties with respect to the subject matter hereof and supersedes and terminates all prior agreements and understandings between the Parties with respect to such subject matter (including the Confidentiality Agreement). No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties unless reduced to writing and signed by the respective authorized officers of the Parties.

12.5 Assignment. Neither Party may assign in whole or in part this Agreement without the prior written consent of the other Party, except as set forth in the following sentences. Subject to Section 11.3, either Party may assign this Agreement in its entirety to the successor to all or substantially all of its stock or assets in connection with its merger with, or the sale of all or substantially all of its stock or assets to which this Agreement relates to, another entity, regardless of the form of the transaction. In addition, either Party may assign its rights under this Agreement to a Third Party in connection with the sale of, monetization of, transfer of, or obtaining financing on the basis of payments due to such Party under this Agreement or debt or project financing in connection with this Agreement; *provided that* such Party shall not delegate to any such Third Party the obligation to perform any ongoing obligations under this Agreement. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Any assignment of this Agreement not made in accordance with this Agreement is prohibited hereunder and shall be null and void.

12.6 Severability. If one or more of the provisions in this Agreement are deemed unenforceable by law, then such provision shall be deemed stricken from this Agreement and the remaining provisions shall continue in full force and effect. Similarly, if any provision of this Agreement extends for a longer period of time than is enforceable by law in any jurisdiction, then it shall be deemed revised as to such jurisdiction to apply for such shorter time period as is enforceable by law.

12.7 Force Majeure. Both Parties shall be excused from the performance of their obligations under this Agreement to the extent that such performance is prevented by a Force Majeure (defined below) and the nonperforming Party promptly provides notice of the prevention to the other Party. Such excuse shall be continued so long as the condition constituting Force Majeure continues and the nonperforming Party takes reasonable efforts to remove the condition, but no longer than [***] months. For purposes of this Agreement, "Force Majeure" means conditions beyond a Party's reasonable control or ability to plan for, including acts of God, war, terrorism, civil commotion, labor strike or lock-out;

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epidemic; failure or default of public utilities or common carriers; and destruction of production facilities or materials by fire, earthquake, storm or like catastrophe; *provided, however*, the payment of amounts due and owing under this Agreement shall not be excused by reason of a Force Majeure affecting the payor.

12.8 Notices. Any notice required or permitted to be given under this Agreement shall be in writing, shall specifically refer to this Agreement, and shall be deemed to have been sufficiently given for all purposes if mailed by first class certified or registered mail, postage prepaid, return receipt requested, if delivered by express delivery service, or if personally delivered. Unless otherwise specified in writing, the mailing addresses of the Parties shall be as set out below.

If to Adimab:

Adimab, LLC
7 Lucent Drive
Lebanon, NH 03766
Attention: General Counsel

with a required copy to each of:

Attention: Head, Business Development at the same address.

and

WilmerHale
60 State Street

Boston, MA 02109
Attention: Steven D. Barrett, Esq.

In the case of Mersana:

Mersana Therapeutics, Inc.
840 Memorial Drive
Cambridge, MA 02139
Attention: Michael A. Metzger

and

Ropes & Gray LLP Prudential Tower
800 Boylston Street
Boston, MA 02199
Attention: Marc A. Rubenstein, Esq.

12.9 Construction. This Agreement has been prepared jointly and shall not be strictly construed against either Party. Ambiguities, if any, in this Agreement shall not be construed against any Party, irrespective of which Party may be deemed to have authored the ambiguous provision.

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12.10 Headings. The headings for each article and section in this Agreement have been inserted for convenience of reference only and are not intended to limit or expand on, nor to be used to interpret, the meaning of the language contained in the particular article or section.

12.11 No Waiver. Any delay in enforcing a Party's rights under this Agreement or any waiver as to a particular default or other matter shall not constitute a waiver of such Party's rights to the subsequent enforcement of its rights under this Agreement, excepting only as to an express written and signed waiver as to a particular matter for a particular period of time executed by an authorized officer of the waiving Party.

12.12 Performance by Affiliates. A Party may perform some or all of its obligations under this Agreement through Affiliate(s) or may exercise some or all of its rights under this Agreement through Affiliates. However, each Party shall remain responsible and be guarantor of the performance by its Affiliates and shall cause its Affiliates to comply with the provisions of this Agreement in connection with such performance. In particular and without limitation, all Affiliates of a Party that receive Confidential Information of the other Party pursuant to this Agreement shall be governed and bound by all obligations set forth in ARTICLE 8, and shall (to avoid doubt) be subject to the intellectual property assignment and other intellectual property provisions of ARTICLE 4 and ARTICLE 7 as if they were the original Party to this Agreement (and be deemed included in the actual Party to this Agreement for purposes of all intellectual property-related definitions). A Party and its Affiliates shall be jointly and severally liable for their performance under this Agreement.

12.13 Counterparts. This Agreement may be executed in one or more identical counterparts, each of which shall be deemed to be an original, and which collectively shall be deemed to be one and the same instrument. In addition, signatures may be exchanged by facsimile or PDF.

[Signature page follows}

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

IN WITNESS WHEREOF, the Parties have by duly authorized persons executed this Agreement as of the date first written above.

MERSANA THERAPEUTICS, INC.		ADIMAB, LLC:	
Sign:	/s/ Michael Metzger	Sign:	/s/ Errik Anderson
Print Name:	Michael Metzger	Print Name:	Errik Anderson
Title:	EVP/COO	Title:	COO
Date:	July 25, 2012	Date:	July 25, 2012

Signature Page to Collaboration Agreement

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EXHIBIT A

THIRD PARTY COLLABORATION TERM SHEET

This is a non-binding proposal for discussion purposes only. This proposal is subject to further negotiation. No party shall be bound unless and until the parties execute definitive written agreements reflecting mutually acceptable terms and any agreement is subject to any remaining due diligence and final management and Board approval of each party.

1.	Overview	· Adimab, LLC ("Adimab"), Mersana Therapeutics, Inc. ("Mersana") and PARTNER (collectively, the "Parties") will enter into a 3 party agreement for the discovery of therapeutic antibody drug conjugates ("ADC") associated with up to [***] targets (the "ADC Program") · Adimab will discover and optimize fully human whole lgGs for the ADC Program using its proprietary antibody discovery and optimization technology Mersana will engineer the lgGs with Fleximer and drug payload components for the ADC Program using its proprietary conjugation platform · PARTNER may evaluate the resulting ADCs in [***] · PARTNER has the option to commercialize selected ADCs under the terms described below
2.	The ADC Program	· PARTNER will select the [***] for the ADC Program · The Parties will form a collaboration team and will meet to discuss the target biology, tools available, and desired properties of a therapeutic ADC · The Parties will generate a mutually agreed upon work plan for the ADC Program · Adimab will screen its yeast -based antibody libraries against the target to identify a panel of whole lgGs · The Parties will meet to review the data and results · lgGs identified that meet the work plan criteria will be will delivered to PARTNER · PARTNER will assess lgGs in *in vitro* assays and select lgGs for optimization · Adimab will optimize [***] of lgGs · The Parties will meet to review the data and results · lgGs identified that meet the work plan criteria will be will delivered to Mersana · Mersana will use its platform to engineer antibody -drug conjugates from the selected lgGs · The Parties will meet to review the data and results · ADCs generated that meet the workplan criteria will be will delivered to PARTNER · For each ADC delivered, PARTNER will have a limited exclusive license to test and evaluate antibodies in [***]
3.	Evaluation License	· PARTNER is granted a limited rights ("Evaluation License") to determine whether PARTNER would like to exercise a commercial license to all rights to the ADCs of interest. · The term for the Evaluation License is [***] months
4.	Commercial License Option	· At any time during the Evaluation License period, PARTNER can exercise its option for an exclusive, worldwide commercial license for all rights to the ADCs

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5.	Payments by PARTNER	Upfront Fees: [***] [***] [***] [***] [***] [***] [***] [***] [***] [***] [***] [***] Milestones and Royalties (Per ADC Product): [***] [***] [***] [***] [***] [***] [***] [***] [***] [***] [***] [***] [***] [***] [***] [***] [***] [***] [***] [***]

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		[***] [***] [***]	[***] [***] [***]
		· The "Royalty Term" for such product means the period [***].	
6.	Intellectual Property	· Adimab will have exclusive rights to IP created under the Third Party Collaboration to the extent that such rights relate to the discovery or optimization of Antibodies generally. · Mersana will have exclusive rights to IP created under the Third Party Collaboration to the extent that such rights relate to the Fleximer, Linkers and Payloads used in connection with the applicable ADC generally. · Adimab and Mersana will exclusively assign all program patents to PARTNER when PARTNER exercises a commercial license · After exercise of the commercial license, PARTNER has full enforcement rights on program patents · Ownership of all other inventions will be on the basis of inventorship	
7.	Field	[***]	

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EXHIBIT B

VALIDATION PLAN ELEMENTS

1. Adimab responsibilities

· Adimab will use Commercially Reasonable Efforts to screen its yeast-based Antibody libraries against the Validation Program Targets to identify a panel of whole lgGs, based upon a mutually agreed work plan.

· Adimab may do some optimization of the Validation Program Antibodies, if set forth in the Validation Plan.

· Adimab will work diligently to provide the Validation Program Antibodies to Mersana as soon as reasonably possible. The Parties anticipate that Adimab will provide the Validation Program Antibodies within [***] weeks after initiation of the Validation Program, but there shall be no penalties for failure to meet such timeline.

2. Mersana responsibilities

· Mersana will select the Selected Antibodies from among the Validation Program Antibodies provided by Adimab. Mersana will use Commercially Reasonable Efforts to generate Validation Program ADCs using each of the Selected Antibodies, Mersana's Fleximer technology, and drug payloads to be selected by Mersana. Mersana will endeavor to generate ADCs where:

  · [***]; and

  · [***].

· Mersana will characterize the Validation Program ADCs, based on a mutually agreed work plan.

· Mersana will work diligently to provide the Validation Program ADCs to Adimab as soon as reasonably possible. The Parties anticipate that Mersana will provide the Validation Program ADCs within [***] weeks after receipt of Validation Program Antibodies from Adimab, but there shall be no penalties for failure to meet such timeline.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

EXHIBIT C

VALIDATION PLAN

(To be attached within [***] days following the Effective Date.)

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

EXHIBIT D

PRESS RELEASE

Adimab and Mersana Announce Antibody Drug Conjugate Alliance

Partners to offer integrated Antibody Discovery and ADC capabilities

Lebanon, NH and Cambridge, MA- July X, 2012- Adimab, LLC, the technology leader in the discovery and optimization of fully human therapeutic antibodies, and Mersana Therapeutics, Inc., a next generation antibody-drug conjugate (ADC) company, today announced the initiation of a joint effort to offer integrated antibody discovery and ADC technologies. The alliance is built to offer pharmaceutical companies seamless access to Adimab's world-class antibodies that have been specifically optimized for use in ADCs together with Mersana's Fleximer polymer and broad array of customizable linkers for attaching diverse, potent payloads.

"We are excited to couple Mersana's innovative ADC technology with our platform for use by the pharmaceutical industry. The flexibility in payloads, linkers and drug loading enabled by Mersana's Fleximer technology complements Adimab's philosophy of tailoring drug development to the biology of the target of interest," said Adimab CEO Tillman Gerngross. "With this deal, Adimab is further expanding its footprint beyond monoclonal antibody discovery. We view ADCs, as well as other aspects of antibody discovery such as bispecific formats, as important tools in the development of novel therapeutics."

"Over the past three years Adimab has established itself as the premier therapeutic antibody discovery company in the industry," said Mersana CEO Nicholas Bacopoulos. "We are excited to combine Adimab's technology with our highly differentiated ADC platform consisting of our clinically validated Fleximer polymer, diverse linkers and a wide variety of payloads. Adimab's tailored approach fits perfectly with the customized design of Fleximer ADCs and together we can provide ADCs with increased likelihood of target selectivity and therapeutic efficacy. With our recently-announced financing, this alliance represents a significant step forward in the company's transformation into a next generation ADC company."

About Adimab

Adimab's fully integrated antibody discovery and optimization platform provides partners with the unique opportunity to readily incorporate biological assessments during the selection process. The availability of purified, full-length human lgGs allows for rapid determination of biologic function and potential therapeutic efficacy. Adimab offers fundamental advantages by delivering and optimizing diverse panels of therapeutically relevant antibodies that meet the most aggressive standards for affinity, epitope coverage, species cross-reactivity and developability.

With more than 30 antibody discovery projects in the last three years, Adimab has become the industry's most sought after partner for the development of therapeutic human antibodies. Adimab has enabled its partners, including Biogen Idee, Eli Lilly, Genentech, Gilead, Human Genome Sciences, Merck, Novartis, Novo Nordisk, Pfizer, and Roche to expand their biologics pipelines through a range of technology access arrangements. Less than three years after Adimab launched its platform several antibodies discovered by Adimab have entered human clinical trials providing further evidence for the quality and speed of the platform. For more information, visit www.adimab.com.

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About Mersana

Mersana engineers novel drug conjugates that maximize the potential of new and established therapeutic classes. Utilizing its proprietary conjugation technology, which is comprised of the Fleximer® polymer and a broad array of customizable linker chemistries, Mersana is developing a portfolio of next-generation antibody-drug conjugates (ADCs) with superior properties not found with other ADC technologies.

Mersana is currently working with a number of top Pharma companies to develop next generation Fleximer-ADCs and most recently announced a $270 million collaboration with Endo Pharmaceuticals in March, 2012. The company is also advancing its own pipeline of next-generation drugs with best-in-class potential to address unmet needs and improve patient outcomes in multiple oncology indications.

For more information, visit www.mersana.com.

Fleximer® is a trademark of Mersana Therapeutics, Inc.

Business Contacts:
Guy Van Meter
VP of Business Development
Adimab, LLC.
(603) 643-7110x175

Michael Metzger
EVP & Chief Operating Officer
Mersana Therapeutics, Inc.
(617) 715-8236

Media Contacts:
MacDougall Biomedical Communications
781 235 3060
For Adimab: Chris Erdman
For Mersana: Kari Watson or Jennifer Conrad

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

EXHIBIT E

EXISTING THIRD PARTY AGREEMENTS

<u>To which Adimab is a party:</u>

[***]

<u>To which Mersana is a party:</u>

License Agreement, dated September 22, 2011, by and between Tube Pharmaceuticals GmbH and Mersana.

Second Restated and Amended License Agreement, dated October 19, 2005, as amended, by and between the General Hospital Corporation and Mersana.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

EXHIBIT F

DIVISION OF ECONOMICS

	Proposed Third Party ADCTerms	**Adimab Portion**	**Mersana Portion**
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

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Exhibit 10.11

CONFIDENTIAL

AMENDMENT NUMBER ONE

to the

COLLABORATION AGREEMENT

This AMENDMENT NUMBER ONE (this "Amendment"), dated February 21, 2013, amends the COLLABORATION AGREEMENT (the "Agreement") is made as of July 25, 2012 (the "Effective Date"), by and between ADIMAB, LLC, a Delaware limited liability company having an address at 7 Lucent Drive, Lebanon, NH 03766 ("Adimab") and MERSANA THERAPEUTICS, INC., a Delaware corporation having an address at 840 Memorial Drive, Cambridge, MA 02139 ("Mersana").

BACKGROUND

WHEREAS, the Parties wish enter into an additional work plan related to Mammalian Scale-Up Production for [***];

WHEREAS, the Parties agree that Mersana will pay certain costs related to such work plan; and

Now, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth below, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Adimab and Mersana hereby agree as follows:

ARTICLE 1

1.1 Adimab and Mersana agree to each undertake the activities described in the Adimab-Mersana Work Plan entitled Mammalian Scale-Up Production for [***] attached hereto as Exhibit A (the "Scale-Up Work Plan").

1.2 Mersana agrees to make the payments to Adimab described in the Scale-Up Work Plan, such payments to be made within [***] days of receipt of "Adimab Deliverables" as defined in the Scale-Up Work Plan.

1.3 All other terms and conditions of the Agreement shall remain in full force and effect.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

IN WITNESS WHEREOF, the Parties have by duly authorized persons executed this Agreement as of the date first written above.

MERSANA THERAPEUTICS, INC.		ADIMAB, LLC:	
Sign:	/s/ Michael Metzger	Sign:	/s/ Errik Anderson
Print Name:	Michael Metzger	Print Name:	Errik Anderson
Title:	EVP/COO	Title:	COO
Date:	3-13-13	Date:	

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Exhibit A

Mammalian Scale-Up Production for [***]

Adimab-Mersana Work Plan

Mammalian Scale-Up Production for [***]

Goal: [***] *mgs of purified* [***] *for each of the* [***]

Goal: [***] *mgs of purified* [***] *for each of the* [***]

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

TABLE OF CONTENTS

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Section A

RESEARCH PLAN

[***] **Scale-Up Production**

Mersana Activity

1. Mersana has nominated [***] for mammalian expression

    a. [***]
    b. [***]
    c. [***]

Adimab Activities

1. [***]

    a. [***]
    b. [***]

2. [***]

    a. [***]
    b. [***]

3. Characterization of purified [***]

    a. [***]
    b. [***]
    c. [***]
    d. [***]

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Adimab Deliverables

1. Adimab will deliver

    a. [***] mgs of purified [***] for each of the [***]
    b. [***] mgs of purified [***] for each of the [***] selected constructs [***]

2. Characterization of each of the samples will be provided to Mersana:

    a. [***]
    b. [***]
    c. [***]
    d. [***]

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Section B

Expenses

Protein-A Purified [***] (mg)	[***] Pricing
[***]	[***]
[***]	[***]
[***]	[***]

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

CONFIDENTIAL

AMENDMENT NUMBER ONE

to the

COLLABORATION AGREEMENT

THIS AMENDMENT NUMBER ONE (this "**Amendment**"), dated June 17, 2014, is by and between **ADIMAB, LLC**, a Delaware limited liability company having an address at 7 Lucent Drive, Lebanon, NH 03766 ("**Adimab**") and **MERSANA THERAPEUTICS, INC.,** a Delaware corporation having an address at 840 Memorial Drive, Cambridge, MA 02139 ("**Mersana**"), and this Amendment amends the Collaboration Agreement (the "**Agreement**") dated July 25, 2012, by and between Adimab and Mersana. Capitalized terms used herein and not defined shall have the meanings ascribed to such terms in the Agreement.

WHEREAS, Mersana desires to exercise the option contained in Section 4.2(b) of the Agreement to become the Commercial Rights Party with respect to certain Validation Program ADCs against her2, a Validation Program Target (the "**her2 Target**");

WHEREAS, Mersana desires to license [***] Validation Program Antibodies from Adimab pursuant hereto;

WHEREAS, Mersana desires to pay [***] of the Option Exercise Fee in connection with this Amendment and to have the option to pay the remainder of the Option Exercise Fee [***] or forego its rights to such Validation Program Antibodies at such time;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth below, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Adimab and Mersana hereby agree as follows:

1.1 Selected Antibodies. In accordance with Section 2.3(a) of the Agreement, Adimab and Mersana hereby agree that the [***] antibodies listed on Exhibit A to this Amendment shall be considered the Selected Antibodies selected by Mersana for the her2 Target.

1.2 Option Exercise. In accordance with Section 4.2(b) of the Agreement, Mersana hereby exercises the option to acquire all of Adimab's rights in the Validation Program ADCs against the her2 Target. As a result of the exercise of such option, without limiting the other provisions of the Agreement that apply as a result of such exercise:

(i) Mersana is the Commercial Rights Party for the Validation Program ADCs generated against the her2 Target, and shall be responsible for payments owed to Adimab with respect thereto pursuant to Article 6 of the Agreement;

(ii) Adimab hereby assigns to Mersana all right, title and interest in and to the Selected Antibodies generated by Adimab against such Validation Program Target, including the Validation Program Antibody Patents, Joint Validation Program Patents and Validation Program Know-How that relate solely and specifically to the Selected Antibodies, and shall execute such instruments and take such actions as may be reasonably requested by

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Mersana to effect such assignment; *provided, however, that* Mersana shall not practice or use, or permit any Third Party to practice or use, such Selected Antibodies, Validation Program Antibody Patents, Joint Validation Program Patents or Validation Program Know-How to discover new Antibodies, to provide the Selected Antibodies to another Antibody discovery service provider for use in Antibody screening or discovery, or for any purpose other than the development, manufacture, use, sale, offer for sale and importation of Products containing the applicable Validation Program ADCs;

(iii) Adimab hereby grants to Mersana a non-exclusive, royalty-bearing, sublicensable, worldwide license under the Adimab Core Technology, Adimab Core Technology Improvements and Adimab Background Patents, and an exclusive, royalty-bearing, sublicensable, worldwide license under Adimab's interest in the Validation Program Patents and Validation Program Know-How (other than those interests assigned to Mersana pursuant to Section 1.2(ii) of this Amendment), in each case solely to develop, make, use, sell, offer to sell and import Products containing such Validation Program ADCs;

(iv) With respect to any Validation Program ADC for which Mersana has exercised its option pursuant hereto, Mersana shall have the right to [***] for any reason. The product containing such [***] for purposes of the Agreement; and

(v) Pursuant to Section 7.4(d) of the Agreement, Mersana shall have the first right (but not the obligation) to file, prosecute, maintain, defend and enforce all Validation Program Patents Covering Selected Antibodies directed at such Validation Program Target, all at its own expense.

1.3 Option Exercise Fee. Notwithstanding Section 6.1 of the Agreement, the Parties have agreed that the Option Exercise Fee for the her2 Target shall be paid as follows:

Within [***] days of this Amendment, Mersana shall pay to Adimab a non-creditable, nonrefundable partial Option Exercise Fee of [***]. No later than [***], Mersana shall pay to Adimab the remaining portion of the Option Exercise Fee as a non-creditable, nonrefundable payment of [***] (the "**Second Payment**"); *provided, however*, that in the event that Mersana fails to make the Second Payment by [***], Mersana will be deemed to have discontinued the development and commercialization of Products for the her2 Target pursuant to Section 4.3(c) of the Agreement. For clarity, in such event, Mersana shall not be responsible for the Second Payment and Adimab shall not be responsible for the payment of any Option Exercise Fee with respect to her2 Target Validation Program ADCs. In the event that Mersana provides notice to Adimab prior to [***], that it will cease to research and develop any Selected Antibodies against the her2 Target, then (x) [***] and (y) [***].

1.4 Press Release. In accordance with Section 8.6 of the Agreement, the Parties hereby agree that Adimab may issue a press release with the text attached hereto as Exhibit B.

1.5 Governing Law, Venue and Counterparts. This Amendment shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts without regard to its conflict of laws principles. Any and all judicial resolutions of disputes in connection with this Amendment shall be in the state or federal courts located in Boston, Massachusetts, and

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each Party hereby consents to the jurisdiction and venue of such courts, and waives all defenses it may have to such jurisdiction and venue, including that the court cannot assert personal jurisdiction over the defendant and *forum non conveniens*. This Amendment may be executed in one or more identical counterparts, each of which shall be deemed to be an original, and which collectively shall be deemed to be one and the same instrument. In addition, signatures may be exchanged by facsimile or PDF.

1.6 Other Terms. All other terms of the Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the Parties have by duly authorized persons executed this Amendment as of the date first written above.

MERSANA THERAPEUTICS, INC.		**ADIMAB, LLC:**	
Sign:	/s/ Eva Jack	Sign:	/s/ Errik Anderson
Print Name:	Eva Jack	Print Name:	Errik Anderson
Title:	Chief Business Officer	Title:	COO
Date:	17 June 2014	Date:	6/17/2014

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Exhibit A

Selected Antibodies against the her2 Target

The following [***] antibodies are the Selected Antibodies chosen by Mersana pursuant to Section 2.3(a) of the Agreement with respect to the her2 Target:

Mersana Name	**Adimab Name**
[***]	[***]

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Exhibit B

Press Release Language

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

June 20, 2014

Adimab Announces 50th Therapeutic Program
Under Its Funded Discovery Partnerships

Announces New Commercial Licenses Exercised by Arsanis, Merrimack, and Mersana Therapeutics

Lebanon, NH — June 20, 2014 — Adimab, LLC, a leader in the discovery and optimization of monoclonal and bispecific antibodies, today announced the 50th therapeutic program under its funded discovery partnerships. Adimab launched its antibody discovery and optimization platform in the middle of 2009 and in less than five years has formed collaborations with more than 20 partners encompassing 50 therapeutic programs. In addition, Adimab announced today that new commercial licenses have been exercised from the funded discovery partnerships with Arsanis Biosciences, Merrimack Pharmaceuticals and Mersana Therapeutics.

Funded Discovery Partnerships

Under Adimab's funded discovery partnerships, Adimab applies its proprietary platform to generate therapeutic antibodies against any target of a partner's interest. Adimab's funded discovery partners include top pharmaceutical companies such as Merck, Roche, Novartis, Eli Lilly, Genentech, Biogen Idec, Novo Nordisk, Gilead, Kyowa Hakko Kirin, Pfizer, Celgene and innovative biotechnology companies such as Arsanis, Jounce, Five Prime Therapeutics, Alector, Mersana, and others. Adimab typically receives various upfront payments, commercial license fees, development milestones, and downstream milestones and royalties on product sales.

"Adimab's antibody discovery and optimization platform is remarkable. This has been a highly successful partnership for Arsanis," commented Eszter Nagy, President, CSO and co-founder of Arsanis Biosciences. "Our therapeutic program was technically quite challenging and aimed for antibodies binding to several target molecules that share limited homology, but Adimab's protein engineering capabilities enabled us to generate exceptional lead candidates."

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"The epitope coverage generated by Adimab's platform is absolutely impressive," said Donald A. Bergstrom, MD, PhD, CMO of Mersana. "In our collaborative efforts on multiple targets, Adimab's technology identified a never- before reported epitope, and provided us with multiple, diverse lead antibodies for our pre-clinical program. We have selected an antibody for our target of interest which is an ideal fit with Mersana's strategy of highly customized, next generation ADCs."

Adimab's novel and proprietary yeast-based platform has significant advantages over traditional antibody discovery approaches, such as phage display, yeast display, and in vivo approaches. The Adimab yeast has been extensively engineered with over 20 genetic modifications, which allow for large and diverse libraries, efficient transport of developable, whole IgGs and large bispecific molecules through the secretory pathway, and presentation on the cell surface. Adimab rapidly generates panels of leads across all possible epitopes and initial functional leads can undergo protein engineering to create the highest quality therapeutic programs.

In light of achieving this milestone, Tillman Gerngross, CEO and co-founder of Adimab, observed, "Our industry is evolving, and companies are clearly seeking advantages for their programs at the discovery stage in order to be competitive and justify the significant expenses associated with drug development. In addition, targets are getting more challenging, and therapeutic molecules are getting more complex. Rapid protein engineering is the solution."

"We believe that partnerships with Adimab continue to be in high demand because our collaborators value the versatility and speed of our platform. Our partners are able to precisely define the quality and characteristics of their antibodies — or bispecifics — and our highly efficient protein engineering capabilities yield the desired candidates to provide them with a competitive advantage over others in the industry," added Guy Van Meter, Adimab's Head of Business Development.

New Commercial Licenses

Several of Adimab's funded discovery partners have exercised options to obtain commercial licenses for the antibodies generated under Adimab's Funded Discovery Program.

- Arsanis Biosciences has exercised a commercial license to antibodies identified by Adimab to multiple undisclosed targets. Arsanis has exclusive development and commercialization rights to such antibodies. This is the second commercial license exercised by Arsanis.

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- Merrimack Pharmaceuticals has exercised a commercial license to antibodies identified by Adimab to an undisclosed target. Merrimack has exclusive development and commercialization rights to such antibodies. This is the second commercial license exercised by Merrimack.

- In addition, Mersana Therapeutics has exercised a commercial license to antibodies identified by Adimab to an undisclosed target. Mersana has exclusive development and commercialization rights to such antibodies. This is the first commercial license exercised by Mersana.

About Adimab

Adimab's integrated antibody discovery and optimization platform provides unprecedented speed from antigen to purified, full-length human lgGs. Adimab offers fundamental advantages by delivering diverse panels of therapeutically relevant antibodies and bispecifics that meet the most aggressive standards for affinity, epitope coverage, species cross-reactivity and developability. Adimab enables its partners to rapidly expand their biologics pipelines through a broad array of technology access arrangements.

For more information, visit http://www.adimab.com.

Contact:
Guy Van Meter
VP of Business Development, Adimab LLC
(603) 653-5775
guy.vanmeter@adimab.com

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Exhibit 10.13

Execution Version

CONFIDENTIAL

DEVELOPMENT COLLABORATION AND

COMMERCIAL LICENSE AGREEMENT

between

MERSANA THERAPEUTICS, INC.

and

MILLENNIUM PHARMACEUTICALS, INC.

dated

January 29, 2016

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

TABLE OF CONTENTS

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SCHEDULES

Schedule 1.1.15	Auristatin F HPA
Schedule 1.1.82	Global Development Plan
Schedule 1.1.138	Mersana Other Patent Rights
Schedule 1.1.143	Mersana Platform Patent Rights
Schedule 1.1.146	Mersana Product Patent Rights
Schedule 1.1.210	XMT-1519
Schedule 1.1.212	XMT-1522
Schedule 6.7	Existing CMOs
Schedule 10.3.1	Press Release

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

DEVELOPMENT COLLABORATION AND COMMERCIAL LICENSE AGREEMENT

This Development Collaboration and Commercial License Agreement is entered into as of the 29th day of January, 2016 by and between Mersana Therapeutics, Inc., a Delaware corporation, having its principal place of business at 840 Memorial Drive Cambridge, MA 02139 (hereinafter referred to as "**Mersana**") and Millennium Pharmaceuticals, Inc., a Delaware corporation, having its principal place of business at 40 Landsdowne Street, Cambridge, MA 02139 (hereinafter referred to as "**Licensee**").

Mersana and Licensee may sometimes individually be referred to hereafter as a "**Party**" or collectively as the "**Parties**".

RECITALS

WHEREAS, Mersana Controls intellectual property rights relating to the compound internally designated by Mersana as XMT-1522, and is currently conducting Development of a Licensed Product (as such terms are defined below);

WHEREAS, Licensee wishes to acquire from Mersana an exclusive license under Mersana Technology to Develop, Commercialize and Manufacture Licensed Products (as such terms are defined below);

WHEREAS, Mersana wishes to grant to Licensee such license on the terms set forth in this Agreement; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1 - DEFINITIONS AND INTERPRETATION

1.1 **Definitions**. For the purposes of this Agreement the following words and phrases shall have the following meanings:

1.1.1 "**Accounting Standards**" means (a) with respect to Mersana, GAAP, and (b) with respect to Licensee, IFRS.

1.1.2 "**ADC**" means an Antibody that is conjugated to a Payload, whether or not using any Mersana Technology.

1.1.3 "**Adimab**" has the meaning set forth in Section 1.1.4.

1.1.4 "**Adimab Agreement**" means that certain Collaboration Agreement by and between Adimab, LLC ("**Adimab**") and Mersana dated July 25, 2012, as amended by that certain Amendment Number One dated June 17, 2014.

1.1.5 "**Additional Know-How**" means all Know-How that (i) is invented, conceived or developed by or on behalf of either or both Party(ies) in the course of conducting

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Collaboration Activities and (ii) consists of (a) Conjugation Know-How, (b) formulation technology related to the formulation of drug product or (c) assay technology.

1.1.6 "**Additional Technology**" means (a) all Additional Know-How, and (b) any Patent Right that claims Additional Know-How.

1.1.7 "**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. As used herein, the term "control" means the direct or indirect ownership of fifty percent (50%) or more of the stock having the right to vote for directors thereof or the ability to otherwise control the management thereof.

1.1.8 "**Agreement**" means this agreement, all amendments and supplements to this Agreement and all schedules and exhibits to this Agreement.

1.1.9 "**Antibody**" means an unconjugated polyclonal or monoclonal antibody (whether (a) fully human, fully mouse, humanized, phage display, chimeric, polyclonal, polyclonal mixes or any other type of antibody, (b) multiple or single chain, single domain, recombinant, in vivo, in vitro or naturally occurring or a combination of the foregoing in any species or (c) monospecific or bi-specific) or any analog, derivative, fragment or modification thereof (including a full antibody, scFv, scFvFc, Fab, minibody, single domain antibodies, nanobodies, etc.).

1.1.10 "**Antigen**" means (a) any protein (including any glyco- or lipo-protein), carbohydrate, compound or other composition that stimulates the production of Antibodies or against which an Antibody is selected, generated or optimized to preferentially bind, (b) any naturally occurring isoform or variants thereof or (c) any fragment or peptide of any of the foregoing. The whole protein, carbohydrate, compound or other composition as well as a fragment or peptide thereof, or portion of the whole is considered the same Antigen.

1.1.11 "**Applicable Law**" means any law or statute, any rule or regulation (including written governmental interpretations thereof, the guidance related thereto, or the application thereof) issued by a Governmental Authority or Regulatory Authority and any judicial, governmental, or administrative order, judgment, decree, or ruling, in each case as applicable to the subject matter and the parties at issue.

1.1.12 "**Approved CMO**" has the meaning set forth in Section 3.3.3(b)(8).

1.1.13 "**Audited Party**" has the meaning set forth in Section 9.2.1.

1.1.14 "**Auditing Party**" has the meaning set forth in Section 9.2.1.

1.1.15 "**Auristatin F HPA**" means the Mersana proprietary cytotoxic payload Auristatin F hydroxypropylamide also known as XMT-1267. The chemical structure of Auristatin F HPA is set forth in Schedule 1.1.15.

1.1.16 "**Bankruptcy Code**" has the meaning set forth in Section 14.5.

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1.1.17 "**Biosimilar Application**" means any application submitted to the FDA under subsection (k) of Section 351 of the PHSA for which a Licensed Product is a "reference product" (as such term is used in the BPCIA) for purposes of the application for approval of any "biosimilar or interchangeable biological product" (as such term is used in the BPCIA) or any equivalent or similar application, certification or notice in any other jurisdiction in the Mersana Territory or Licensee Territory.

1.1.18 "**Biosimilar/Generic Product**" means, with respect to a Licensed Product [***], any generic, biosimilar or interchangeable product sold by a Third Party that (a) has been licensed (i) as a biosimilar (as defined in Section 351(i)(2) of the PHSA) or interchangeable (as defined in Section 351(i)(3) of the PHSA) biological product by FDA pursuant to Section 351(a) or 351(k) of the PHSA or (ii) a generic product under Section 505(b)(2) or 505(j) of the FDCA or any subsequent or superseding law, statute or regulation, (b) has been licensed as a similar biological medicinal product by EMA pursuant to Directive 2001/83/EC, as may be amended, or any subsequent or superseding law, statute or regulation or (c) has otherwise received Regulatory Approval as a generic, biosimilar or interchangeable product from another applicable Regulatory Authority in such country, where in the case of each of clauses (a), (b) or (c) above, such Licensed Product is the reference product for purposes of determining biosimilarity or interchangeability of the Third Party product.

1.1.19 "**BPCIA**" means the United States Biologics Price Competition and Innovation Act of 2009, as amended from time to time, together with any rules, regulations and requirements promulgated thereunder (including all additions, supplements, extensions and modifications thereto).

1.1.20 "**Breaching Party**" has the meaning set forth in Section 14.4.

1.1.21 "**Business Day**" means a day on which national banks located in the Commonwealth of Massachusetts are open for commercial banking business other than a Saturday or Sunday.

1.1.22 "**Calendar Quarter**" means any of the three (3)-month periods beginning on January 1, April 1, July 1 or October 1 of any Calendar Year, except that the first Calendar Quarter of the Term shall commence on the Effective Date and end on March 31, 2016 and the last Calendar Quarter shall end on the last day of the Term.

1.1.23 "**Calendar Year**" means, (a) for the first Calendar Year, the period commencing on the Effective Date and ending on December 31 of the year during which the Effective Date occurs, (b) for the last Calendar Year, the period commencing on January 1 of the last year of the Term, and ending on the last day of the Term, and (c) each interim period of twelve (12) months commencing on January 1 and ending on December 31.

1.1.24 "**Catalent**" has the meaning set forth in Section 6.2.1.

1.1.25 "**Change in Control**" means with respect to a Party, (a) a merger or consolidation in which (i) such Party is a constituent party, or (ii) a subsidiary of such Party is a constituent party, and such entity in clause (i) or (ii) issues shares of its capital stock pursuant to such merger or consolidation,

except in the case of either clause (i) or (ii) any such merger or

consolidation involving such Party or a subsidiary of such Party in which the shares of capital stock of such entity outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or are exchanged for shares of capital stock which represent, immediately following such merger or consolidation more than fifty percent (50%) by voting power of the capital stock of (A) the surviving or resulting corporation or (B) the parent corporation of such surviving or resulting corporation, in the case that the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation; (b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by such Party or a subsidiary of such Party of all or substantially all of the assets of such Party or such subsidiary of such Party taken as a whole or to which this Agreement relates (except where such sale, lease, transfer, exclusive license or other disposition is only to a wholly owned subsidiary of such Party or a subsidiary of such Party); or (c) any "person" or "group," as such terms are defined in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, and the rules thereunder in a single transaction or series of related transactions, becomes the beneficial owner as defined thereunder, directly or indirectly, whether by purchase or acquisition or agreement to act in concert or otherwise, of fifty percent (50%) or more by voting power of the then-outstanding capital stock or other equity interests of such Party or a subsidiary of such Party, other than pursuant to a bona fide financing.

1.1.26 "**China**" means the People's Republic of China, excluding Hong Kong, Macau, and Taiwan.

1.1.27 "**Claim**" has the meaning set forth in Section 15.1.1.

1.1.28 "**Clinical Trial**" means any clinical study conducted on human subjects.

1.1.29 "**CMO**" has the meaning set forth in Section 6.7.

1.1.30 "**Code**" has the meaning set forth in Section 8.13.

1.1.31 "**Collaboration Activities**" means any Development, Commercialization, Manufacturing or other activities conducted by or on behalf of either Party or its Affiliates, licensees or Sublicensees under this Agreement including any activities conducted by the Joint Committees or any subcommittee thereof, excluding (a) any activities conducted through the exercise of the licenses in Section 2.2 and (b) any activities permitted under Section 2.6.

1.1.32 "**Combination Product**" has the meaning set forth in Section 1.1.157.

1.1.33 "**Commercialize**" or "**Commercializing**" means to market, Promote, distribute, offer for sale, sell, have sold, import, have imported, export, have exported or otherwise commercialize a compound or product. When used as a noun, "Commercialization" means any and all activities involved in Commercializing.

1.1.34 "**Commercially Reasonable Efforts**" means, with respect to the efforts to be expended by a Party with respect to any activity, those reasonable, good faith efforts to accomplish such activity as such Party would use to accomplish a similar activity under similar circumstances, taking into account (when relevant with respect to a product) the competitiveness

of the marketplace, its proprietary position, the regulatory requirements involved in its Development, Commercialization and Regulatory Approval, the cost of goods and availability of capacity to Manufacture at commercial scale, the profitability (including payment of any royalties or other payments hereunder or to Third Parties), and other relevant factors, including other commercial, technical, legal, safety, medical or scientific factors.

1.1.35 "**Companion Diagnostic**" means a diagnostic product developed for use with a product (whether developed after or in connection with such product) for predicting or monitoring the suitability of such product for prophylactic or therapeutic use in human patients or defined subpopulations thereof. Potential applications for a Companion Diagnostic with respect to a product include use: (a) as a means to select or monitor the patient population for the conduct of Clinical Trials of such product, (b) to predict predisposition to treatment in clinical use with such product (including to predict the likelihood or degree of therapeutic efficacy), or (c) to predict or monitor therapeutic efficacy or potential safety considerations in clinical use with such product.

1.1.36 "**Component**" means any intermediate, component or unfinished form, element or ingredient of one or more Licensed Products (including, for clarity, XMT-1519).

1.1.37 "**Confidential Information**" has the meaning set forth in Section 10.1.

1.1.38 "**Conjugation Know-How**" means all Know-How that is invented, conceived or developed by or on behalf of either or both Party(ies) in the course of conducting Collaboration Activities which Know-How consists of the binding or coupling of Antibody(ies) to a linker, [***], including the [***].

1.1.39 "**Control**" means, with respect to any information, Regulatory Documentation or intellectual property right, possession, whether directly or indirectly, by a Party or its Affiliates (including, except as described below, a Future Acquirer) of the ability (whether by sole, joint or other ownership interest, license or otherwise, other than pursuant to the grants set forth in this Agreement) to grant the right to access or use, or to grant a license or a sublicense

to, such information or intellectual property right as provided for herein without violating the terms of any agreement or other arrangement with any Third Party. Notwithstanding the foregoing, any information or intellectual property right Controlled by a Future Acquirer shall not be treated as "Controlled" by the applicable acquired Party or its Affiliates for purposes of this Agreement to the extent, but only to the extent, that such intellectual property (a) is Controlled by such Future Acquirer immediately prior to the time such Future Acquirer qualifies as such, other than pursuant to a license or other grant of rights (whether directly or indirectly) by the applicable acquired Party or its Affiliates, or (b) is Controlled by such Future Acquirer subsequent to the time that such Future Acquirer qualifies as such but (i) was not Controlled by the applicable acquired Party or any of its existing Affiliates prior to the time such Future Acquirer qualifies as such and (ii) did not come under the Control of such Future Acquirer due to any license or other grant of rights by the applicable acquired Party or its Affiliates or any reference or access to any Licensee Technology, Mersana Technology or any other Confidential Information of the applicable non-acquired Party or information or intellectual property right Controlled by the applicable acquired Party or any of its Affiliates (other than information or intellectual property Controlled by a Future Acquirer that

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would be excluded by clause (a) or (b)(i) of this definition).

1.1.40 "**Controlling Party**" has the meaning set forth in Section 11.4.9.

1.1.41 "**Cover**" means, with respect to a Patent Right in a country, that the Manufacture or Commercialization of XMT-1522 or the applicable Licensed Product in such country would, but for ownership of or the grant of a license to such Patent Right, infringe a Valid Patent Claim of such Patent Right.

1.1.42 "**De Minimis Overage Amount**" has the meaning set forth in Section 4.8.1.

1.1.43 "**Develop**" or "**Developing**" means to discover, research or otherwise develop a product, including conducting non-clinical and clinical research and development activities, including toxicology, pharmacology and other discovery efforts, test method development and stability testing, process development, formulation development, delivery system development, quality assurance and quality control development, process and manufacturing scale-up and other manufacturing activities related to developing a product, statistical analysis, clinical studies (including pre-approval studies), Companion Diagnostics activities, regulatory affairs, pharmacovigilance, Regulatory Approval, post-approval clinical activities including Phase IV Clinical Trials. When used as a noun, "Development" means any and all activities involved in Developing.

1.1.44 "**Developed Regulatory Documentation**" has the meaning set forth in Section 2.5.1.

1.1.45 "**Development Cost Reconciliation Payment**" has the meaning set forth in Section 4.8.2.

1.1.46 "**Development Cost Reconciliation Report**" has the meaning set forth in Section 4.8.2.

1.1.47 "**Development Costs**" means the FTE Costs and the direct out-of-pocket costs and expenses incurred by a Party, its Affiliates, licensees or Sublicensees (a) attributable to, or reasonably allocable (in accordance with applicable Accounting Standards) to the Development of Licensed Products consistent with the Global Development Plan or (b) that are otherwise approved by the Joint Development Committee as Development Costs. In no circumstances shall Development Costs incurred by a Party's Affiliate, licensee or Sublicensee be double counted, and in no circumstances shall any mark-ups among such Party and its applicable Affiliates, licensees or Sublicensees be included as a Development Cost.

1.1.48 "**Development Opt-In Notice**" has the meaning set forth in Section 4.7.4.

1.1.49 "**Development Opt-In Payment**" has the meaning set forth in Section 4.7.4.

1.1.50 "**Directed**" means, with respect to an Antigen, that an Antibody or an ADC is selected, generated or optimized to preferentially bind to such Antigen.

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1.1.51 "**Domain Names**" has the meaning set forth in Section 7.6.3(b)(8).

1.1.52 "**Drug Master File**" shall mean a voluntary submission to the FDA that may be used to provide (a) information regarding one or more Licensed Products, (b) information regarding any Mersana Product Technology or Mersana Other Technology used to create one or more Licensed Products, or (c) information regarding the Manufacturing (including the facilities used therefor) of one or more Licensed Product, or any foreign equivalent submission to a Regulatory Authority (such as an Active Substance Master File in the European Union).

1.1.53 "**Effective Date**" means the date set forth in the first sentence of this Agreement.

1.1.54 "**EMA**" means the European Medicines Agency, and any successor agency thereto.

1.1.55 "**Equity Financing**" has the meaning set forth in Section 8.2.1.

1.1.56 "**Equity Financing Purchase Amount**" has the meaning set forth in Section 8.2.4.

1.1.57 "**European Union**" or "**EU**" means the economic, scientific and political organization of member states of the European Union as it may be constituted from time to time.

1.1.58 "**Event of Force Majeure**" has the meaning set forth in Article 16.

1.1.59 "**Exchange Act**" has the meaning set forth in Section 8.2.6.

1.1.60 "**Excess Overage Amount**" has the meaning set forth in Section 4.8.1.

1.1.61 "**Exclusive License**" has the meaning set forth in Section 2.1.

1.1.62 "**Existing CMO Agreements**" has the meaning set forth in Section 6.7.

1.1.63 "**Existing CMOs**" has the meaning set forth in Section 6.7.

1.1.64 "**[***]**" has the meaning set forth in Section 20.3.4.

1.1.65 "**Exploit**" or "**Exploiting**" means to Develop, Commercialize, Manufacture, have Manufactured, use, have used, register, hold or keep (whether for disposal or otherwise), transport, or otherwise dispose of a compound, product or process. "Exploitation" means the act of Exploiting a compound, product or process.

1.1.66 "**Extensions**" means, with respect to a Patent Right, patent term extensions, supplementary protection certificates, and any other extensions that are now or become available in the future under Applicable Laws.

1.1.67 "**FD&C Act**" or "**FDCA**" means the Federal Food, Drug & Cosmetic Act, as amended, together with any rules, regulations and requirements promulgated thereunder

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(including all additions, supplements, extensions and modifications thereto).

1.1.68 "**FDA**" means the United States Food and Drug Administration, and any successor agency thereto.

1.1.69 "**Field**" means all diagnoses, prevention, control or treatment of any and all human conditions, diseases and disorders.

1.1.70 "**Filing Party**" has the meaning set forth in Section 5.4.

1.1.71 "**First Commercial Sale**" means, with respect to any Licensed Product and with respect to any country of the Licensee Territory, the first commercial sale of such Licensed Product by Licensee, its Affiliates or Sublicensees to a Third Party for monetary value following Regulatory Approval and, if required by Applicable Law, Pricing Approval of such Licensed Product and, when Regulatory Approval and Pricing Approval are not required by Applicable Law for such Licensed Product, the first commercial sale in that country, in each case for use or consumption of such Licensed Product in such country by the general public; provided, that sales for clinical study purposes or compassionate, named patient or similar use shall not constitute a First Commercial Sale.

1.1.72 "**First Supply Chain**" has the meaning set forth in Section 6.1.

1.1.73 "**First Supply Chain Supply Agreements**" has the meaning set forth in Section 6.4.3.

1.1.74 "**Fleximer**" means the biodegradable polymer poly(hydroxymethylethylene) hydroxymethyl formal also known as Fleximer®, in any of its forms and sizes and varieties.

1.1.75 "**FTE**" means one (1) person (or the equivalent of one (1) person) working full time for one (1) twelve (12) month period in a Development, regulatory or other relevant capacity employed or contracted by a Party and assigned to perform specified work, with such commitment of time and effort to constitute one (1) employee performing such work on a full-time basis, which for purposes hereof shall be [***] hours per year.

1.1.76 "**FTE Costs**" means, for any period, the FTE Rate multiplied by the number of FTEs who perform a specified activity pursuant to this Agreement in accordance with this Agreement.

1.1.77 "**FTE Rate**" means, as of the Effective Date, [***] dollars [***]; provided, that such rate shall be adjusted [***], with each [***] adjustment effective as [***], based on the percentage increase over the applicable [***] period in the Consumer Price Index (U.S. Bureau of Labor Statistics for all urban consumers, U.S. city average, all items). The FTE Rate shall be deemed inclusive of (a) all expenses incurred per FTE performing the applicable activities hereunder, including salaries, wages, bonuses, benefits, profit sharing, stock option grants, and FICA costs and other similar ex-U.S. costs, meals and entertainment, training, recruiting, relocation, operating supplies, and equipment and other disposable goods to the extent required for the performance of the applicable activities and (b) Overhead associated with such

FTE and the performance of its activities hereunder.

1.1.78 "**Future Acquirer**" means a Third Party to any Change in Control transaction involving either Party and such Third Party or any of such Third Party's Affiliates other than the applicable acquired Party or any of its Affiliates existing immediately prior to such Change in Control.

1.1.79 "**GAAP**" means Generally Accepted Accounting Principles in the United States.

1.1.80 "**Global Branding Strategy**" has the meaning set forth in Section 7.6.1.

1.1.81 "**Global Commercialization Plan**" means a written set of high level strategies, goals and standards established by the Joint Commercialization Committee (by consensus of both Parties' representatives) for the Commercialization of Licensed Products in the Field throughout the world, as may be amended, modified or updated in accordance with the terms of this Agreement.

1.1.82 "**Global Development Plan**" means the written comprehensive plan for the Development of Licensed Products in the Field throughout the world, including at a minimum, Development activities to be conducted pursuant to this Agreement, Development budgets and associated timelines, clinical trial design, activities designed to generate the manufacturing scale-up, and clinical and regulatory information required for filing and obtaining or maintaining Regulatory Approval for such Licensed Products in the Mersana Territory and the Licensee Territory, as such written plan may be amended, modified or updated in accordance with the terms of this Agreement. The Global Development Plan will include a budget for anticipated Shared Post-Phase I Development Costs. The initial Global Development Plan is attached hereto as Schedule 1.1.82.

1.1.83 "**Global Manufacturing Plan**" has the meaning set forth in Section 6.1.

1.1.84 "**Good Clinical Practices**" means the then current standards for good clinical practices for pharmaceuticals, as set forth in the FD&C Act and applicable regulations and guidances promulgated thereunder, including the Code of Federal Regulations, and the guidelines of the International Conference on Harmonization and other comparable regulations and guidances of any Regulatory Authority in any country or region outside of the United States, as applicable.

1.1.85 "**Good Laboratory Practices**" means the then current standards for good laboratory practices for pharmaceuticals, as set forth in the FD&C Act and applicable regulations and guidances promulgated thereunder, including the Code of Federal Regulations, and the guidelines of the International Conference on Harmonization and other comparable regulations and guidances of any Regulatory Authority in any country or region outside of the United States, as applicable.

1.1.86 "**Good Manufacturing Practices**" means the then current standards for good manufacturing practices for pharmaceuticals, as set forth in the FD&C Act and applicable regulations and guidances promulgated thereunder, including the Code of Federal Regulations,

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and the guidelines of the International Conference on Harmonization and other comparable regulations and guidances of any Regulatory Authority in any country or region outside of the United States, as applicable.

1.1.87 "**Governmental Authority**" means any applicable multi-national, federal, state, local, municipal or other government authority of any nature (including any governmental division, prefecture, subdivision, department, agency, bureau, branch, office, commission, council, court or other tribunal).

1.1.88 "**Gross Sales**" has the meaning set forth in Section 1.1.157.

1.1.89 "**Group**" has the meaning set forth in Section 13.6.

1.1.90 "**HER2**" means the [***]

1.1.91 "**IFRS**" means International Financial Reporting Standards.

1.1.92 "**IND**" means (a) in the United States, an Investigational New Drug Application, as defined in the FD&C Act, filed with the FDA that is required to be filed with the FDA before conducting a Clinical Trial (including all supplements and amendments that may be filed with respect to the foregoing); and (b) any foreign counterpart of the foregoing.

1.1.93 "**IND Clearance Date**" means the earlier of (a) receipt of an IND clearance letter from the FDA with respect to any IND for a Licensed Product or (b) provided there is no clinical hold in effect, [***] days after the date of submission of any IND for a Licensed Product.

1.1.94 "**Indemnitee**" has the meaning set forth in Section 15.2.1.

1.1.95 "**Indemnitor**" has the meaning set forth in Section 15.2.1.

1.1.96 "**Independent Development**" has the meaning set forth in Section 4.7.4.

1.1.97 "**Indication**" means, with respect to a Licensed Product in a country, an indication for which it is being developed or for which Regulatory Approval has been obtained in such country.

1.1.98 "**Initiation**" means, with respect to a Clinical Trial, the dosing of the first patient with a Licensed Product pursuant to the clinical protocol for the specified Clinical Trial.

1.1.99 "**IPO**" has the meaning set forth in Section 8.2.3.

1.1.100 "**IPO Purchase Amount**" has the meaning set forth in Section 8.2.5.

1.1.101 "**Joint Commercialization Committee**" has the meaning set forth in Section 3.3.2(a).

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1.1.102 "**Joint Committee**" means each of the Joint Steering Committee, Joint Development Committee, Joint Commercialization Committee and Joint Manufacturing Committee.

1.1.103 "**Joint Development Committee**" has the meaning set forth in Section 3.3.

1.1.104 "**Joint Know-How**" means any Know-How that is invented, conceived, or developed jointly by or on behalf of Mersana or its Affiliate, licensee or Sublicensee, on the one hand, and by or on behalf of Licensee or its Affiliate, licensee or Sublicensee, on the other hand at any time during the Term in the course of conducting its Collaboration Activities. In the event that any Know-How, before giving effect to this sentence, can be categorized as both (a) Joint Know-How, and (b) Mersana Product Know-How, Mersana Other Know-How, Licensee Product Know-How, or Licensee Other Know-How, then such Know-How shall be deemed to be only Joint Know-How, and not the other category of Know-How in clause (b). For clarity, Joint Know-How includes Additional Know-How that is Know-How that is invented, conceived, or developed jointly by or on behalf of Mersana or its Affiliate, licensee or Sublicensee, on the one hand, and by or on behalf of Licensee or its Affiliate, licensee or Sublicensee, on the other hand at any time during the Term in the course of conducting its Collaboration Activities.

1.1.105 "**Joint Manufacturing Committee**" has the meaning set forth in Section 3.3.

1.1.106 "**Joint Patent Committee**" has the meaning set forth in Section 11.3.6(a).

1.1.107 "**Joint Patent Right**" means any Patent Right that claims Joint Know-How. In the event that any Patent Right, before giving effect to this sentence, can be categorized as both (a) a Joint Patent Right, and (b) a Mersana Product Patent Right, Mersana Other Patent Right, Licensee Product Patent Right, or Licensee Other Patent Right, then such Patent Right shall be deemed to be only a Joint Patent Right, and not the other category of Patent Rights in clause (b). For clarity, Joint Patent Rights include Patent Rights that (x) are invented, conceived, or developed jointly by or on behalf of Mersana or its Affiliate, licensee or Sublicensee, on the one hand, and by or on behalf of Licensee or its Affiliate, licensee or Sublicensee, on the other hand at any time during the Term in the course of conducting its Collaboration Activities and (y) constitute Additional Technology.

1.1.108 "**Joint Steering Committee**" has the meaning set forth in Section 3.2.1.

1.1.109 "**Joint Technology**" means Joint Know-How and Joint Patent Rights.

1.1.110 "**Know-How**" means all proprietary technical information, processes, formulae, data, inventions, methods, knowledge, discoveries, inventions, know-how, trade secrets and other information, whether or not patentable, but that is not generally known, including any tangible embodiments of the foregoing.

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1.1.111 "**Liabilities**" has the meaning set forth in Section 15.1.1.

1.1.112 "**Licensed Product**" means any [***] that incorporates XMT-1522. With respect to a Licensed Product, (i) [***], (ii) [***] or (iii) [***].

1.1.113 "**Licensed Product Trade Dress**" has the meaning set forth in Section 7.6.3(b).

1.1.114 "**Licensed Product Trademarks**" has the meaning set forth in Section 7.6.3(b).

1.1.115 "**Licensee**" has the meaning set forth in the introduction to this Agreement.

1.1.116 "**Licensee Early Development**" has the meaning set forth in Section 4.2.

1.1.117 "**Licensee Other Know-How**" means all Know-How that (a) is Controlled by Licensee or its Affiliates as of the Effective Date or at any time during the Term, and either (b) is actually used by Licensee, in its discretion, in, but is not solely related to, the Development, Manufacture, Commercialization or other Exploitation of, one or more Licensed Products, or (c) (i) is invented, conceived or developed by or on behalf of Licensee, its Affiliates or Sublicensees at any time during the Term in the course of conducting its Collaboration Activities, and (ii) is necessary or useful for, but not solely related to, the Development, Manufacture, Commercialization or other Exploitation of one or more Licensed Products. Licensee Other Know-How shall not include any Know-How Controlled by Licensee under an agreement entered into pursuant to Section 12.3 unless and until Mersana agrees to have such Know-How included in Licensee Other Know-How in accordance with the terms of such Section 12.3.

1.1.118 "**Licensee Other Patent Right**" means any Patent Right that (a) claims Licensee Other Know-How or (b) is otherwise Controlled by Licensee or its Affiliates (such as, for example, as a result of a license to or acquisition of Patent Rights that does not include any license to or acquisition of Know-How) as of the Effective Date or at any time during the Term, and is actually practiced by Licensee, in its discretion, in, but is not solely related to, the Development, Manufacture, Commercialization or other Exploitation of one or more Licensed Products. Licensee Other Patent Rights shall not include any Patent Rights Controlled by Licensee under an agreement entered into pursuant to Section 12.3 unless and until Mersana agrees to have such Patent Rights included in Licensee Other Patent Rights in accordance with the terms of such Section 12.3.

1.1.119 "**Licensee Other Technology**" means the Licensee Other Know-How and the Licensee Other Patent Rights.

1.1.120 "**Licensee Patent Right**" means Licensee Product Patent Rights and Licensee Other Patent Rights.

1.1.121 "**Licensee Phase I Clinical Trial**" has the meaning set forth in

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Section 4.2.

1.1.122 "**Licensee Product Know-How**" means all Know-How that (a) is Controlled by Licensee or its Affiliates as of the Effective Date or at any time during the Term, and (b) is solely related to the Development, Manufacture, Commercialization or other Exploitation of one or more Licensed Product (and, for clarity, does not relate to any product that is not a Licensed Product). Licensee Product Know-How shall not include any Know-How Controlled by Licensee under an agreement entered into pursuant to Section 12.3 unless and until Mersana agrees to have such Know-How included in Licensee Product Know-How in accordance with the terms of such Section 12.3.

1.1.123 "**Licensee Product Patent Right**" means any Patent Right that (a) claims Licensee Product Know-How or (b) (i) is otherwise Controlled by Licensee or its Affiliates (such as, for example, as a result of a license to or acquisition of Patent Rights that does not include any license to or acquisition of Know-How) as of the Effective Date or at any time during the Term, and (ii) is solely related to the Development, Manufacture, Commercialization or other Exploitation of one or more Licensed Products (and, for clarity, does not relate to any product that is not a Licensed Product).

1.1.124 "**Licensee Product Technology**" means the Licensee Product Know-How and the Licensee Product Patent Rights.

1.1.125 "**Licensee Regulatory Documentation**" means Regulatory Documentation owned or Controlled by Licensee or any of its Affiliates on or after the Effective Date relating to one or more Licensed Products.

1.1.126 "**Licensee Related Party**" has the meaning set forth in Section 13.6.

1.1.127 "**Licensee Technology**" means (a) the Licensee Product Technology, (b) the Licensee Other Technology, and (c) Licensee's interest in the Joint Technology.

1.1.128 "**Licensee Territory**" means all countries in the world other than the United States and Canada.

1.1.129 "**Licensee Trademark**" has the meaning set forth in Section 7.6.3(b)(3).

1.1.130 "**Licensee Unauthorized Results**" has the meaning set forth in Section 2.8.1.

1.1.131 "**Major Market Country**" means each of the France, Germany, Italy, Japan, Spain and the United Kingdom.

1.1.132 "**Manufacture**" or "**Manufacturing**" means to make, produce, manufacture, process, fill, finish, package, label, perform quality assurance testing, release, ship or store a compound or product or any intermediate or component thereof. When used as a noun,

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"Manufacture" or "Manufacturing" means any and all activities involved in Manufacturing a compound or product or any intermediate or component thereof.

1.1.133 "**Marketing Authorization Application**" means an application to the appropriate Regulatory Authority for approval to market or sell one or more Licensed Products (but excluding Pricing Approval) in any particular country or regulatory jurisdiction, including such application filed with the

EMA pursuant to the centralized procedure or with the applicable Regulatory Authority of a country in the EU in accordance with the decentralized or mutual recognition procedures or any other national approval procedure, and such application filed with the MHLW.

1.1.134 "**Material Safety Issue**" means, with respect to one or more Licensed Products, any safety, tolerability or other data, indicating or signaling, as measured by customary safety and efficacy evaluation criteria and methodology, that such Licensed Product(s) are unsafe for medical applications in humans.

1.1.135 "**Mersana**" has the meaning set forth in the introduction to this Agreement.

1.1.136 "**Mersana Early Development**" has the meaning set forth in Section 4.1.1.

1.1.137 "**Mersana Other Know-How**" means all Know-How that (a) is Controlled by Mersana or its Affiliates as of the Effective Date or at any time during the Term, and (b) is necessary or useful for, but not solely related to, the Development, Manufacture, Commercialization or other Exploitation of one or more Licensed Products. Mersana Other Know-How shall not include any Know-How Controlled by Mersana under an agreement entered into pursuant to Section 12.3 unless and until Licensee agrees to have such Know-How included in Mersana Other Know-How in accordance with the terms of such Section 12.3.

1.1.138 "**Mersana Other Patent Right**" means any Patent Right that (a) claims Mersana Other Know-How or (b) (i) is otherwise Controlled by Mersana or any of its Affiliates (such as, for example, as a result of a license to or acquisition of Patent Rights that does not include any license to or acquisition of Know-How) as of the Effective Date or at any time during the Term, and (ii) is necessary or useful for, but not solely related to, the Development, Manufacture, Commercialization or other Exploitation of one or more Licensed Products. All Mersana Other Patent Rights existing as of the Effective Date are listed in Schedule 1.1.138. Mersana Other Patent Rights shall not include any Patent Right Controlled by Mersana under an agreement entered into pursuant to Section 12.3 unless and until Licensee agrees to have such Patent Right included in Mersana Other Patent Rights in accordance with the terms of such Section 12.3.

1.1.139 "**Mersana Other Technology**" means Mersana Other Know-How and Mersana Other Patent Rights.

1.1.140 "**Mersana Patent Right**" means Mersana Product Patent Rights, Mersana Platform Patent Rights, and Mersana Other Patent Rights.

1.1.141 "**Mersana Phase I Clinical Trials**" has the meaning set forth in Section 4.1.1.

1.1.142 "**Mersana Platform Know-How**" means all Know-How that (a) is Controlled by Mersana or its Affiliates as of the Effective Date or at any time during the Term, and (b) relates to or consists of Fleximer, Auristatin F HPA, [***], but excluding (i) any such Know-How that is invented, conceived or developed solely or jointly by or on behalf of Licensee to the extent relating to or consisting of (A) any Antibody Directed to an Antigen, (B) any Additional Know-How or (C) the Exploitation of any of the foregoing ((A) or (B)), (ii) Licensee Product Know-How, (iii) Mersana Product Know-How and (iv) any Additional Know-How that is invented, conceived, or developed jointly by or on behalf of Mersana or its Affiliate, licensee or Sublicensee, on the one hand, and by or on behalf of Licensee or its Affiliate, licensee or Sublicensee, on the other hand at any time during the Term in the course of conducting its Collaboration Activities. In the event that any Know-How, before giving effect to this sentence, can be categorized as both (x) Mersana Platform Know-How, and (y) Mersana Other Know-How or Joint Know-How, then such Know-How shall be deemed to be only Mersana Platform Know-How, and not the other category of Know-How in clause (y) of this sentence. In the event that any Know-How invented, conceived or developed at any time during the Term in the course of conducting Collaboration Activities, before giving effect to this sentence, can be categorized as both (p) Mersana Platform Know-How (assuming such Know-How was Controlled by Mersana), and (q) Licensee Other Know-How, then such Know-How shall be deemed to be only Mersana Platform Know-How, and not the other category of Know-How in clause (q) of this sentence. Mersana Platform Know-How shall not include any Know-How Controlled by Mersana under an agreement entered into pursuant to Section 12.3 unless and until Licensee agrees to have such Know-How included in Mersana Platform Know-How in accordance with the terms of such Section 12.3.

1.1.143 "**Mersana Platform Patent Rights**" means any Patent Right that (a) claims Mersana Platform Know-How, or (b) (i) is otherwise Controlled by Mersana or any of its Affiliates (such as, for example, as a result of a license to or acquisition of Patent Rights that does not include any license to or acquisition of Know-How) as of the Effective Date or at any time during the Term, and (ii) claims any Know-How that relates to or consists of Fleximer, Auristatin F HPA, [***], but excluding (i) any such Patent Right that claims any Know-How that is invented, conceived or developed solely or jointly by or on behalf of Licensee to the extent relating to or consisting of (A) any Antibody Directed to an Antigen, (B) any Additional Know-How or (C) the Exploitation of any of the foregoing ((A) or (B)), (ii) Licensee Product Patent Rights, (iii) Mersana Product Patent Rights and (iv) any such Patent Right that is Additional Technology and that is invented, conceived, or developed jointly by or on behalf of Mersana or its Affiliate, licensee or Sublicensee, on the one hand, and by or on behalf of Licensee or its Affiliate, licensee or Sublicensee, on the other hand at any time during the Term in the course of conducting its Collaboration Activities. All Mersana Platform Patent Rights existing as of the Effective Date are listed in Schedule 1.1.143. In the event that any Patent Rights, before giving effect to this sentence, can be categorized as both (a) a Mersana Platform Patent Right, and (b) Mersana Other Patent Right or Joint Patent Right, then such Patent Right shall be deemed to be only a Mersana Platform Patent Right, and not the other category of Patent Rights in clause (b) of this sentence. In the event that any Patent Rights invented, conceived or developed at any time during the Term in the course of conducting Collaboration Activities, before giving effect to this

sentence, can be categorized as both (x) a Mersana Platform Patent Right, and (y) a Licensee Other Patent Right, then such Patent Right shall be deemed to be only a Mersana Platform Patent Right, and not the other category of Patent Rights in clause (y) of this sentence. Mersana Platform Patent Rights shall not include any Patent Right Controlled by Mersana under an agreement entered into pursuant to Section 12.3 unless and until Licensee agrees to have such Patent Right included in Mersana Platform Patent Rights in accordance with the terms of such Section 12.3.

1.1.144 "**Mersana Platform Technology**" means Mersana Platform Know-How and Mersana Platform Patent Rights.

1.1.145 "**Mersana Product Know-How**" means all Know-How that (a) is Controlled by Mersana or its Affiliates as of the Effective Date or at any time during the Term, and (b) is solely related to the Development, Manufacture, Commercialization or other Exploitation of one or more Licensed Products (and, for clarity, does not relate to any product that is not a Licensed Product). Mersana Product Know-How shall not include any Know-How Controlled by Mersana under an agreement entered into pursuant to Section 12.3 unless and until Licensee agrees to have such Know-How included in Mersana Product Know-How in accordance with the terms of such Section 12.3.

1.1.146 "**Mersana Product Patent Right**" means any Patent Right that (a) claims Mersana Product Know-How or (b) (i) is otherwise Controlled by Mersana or any of its Affiliates (such as, for example, as a result of a license to or acquisition of Patent Rights that does not include any license to or acquisition of Know-How) as of the Effective Date or at any time during the Term, and (ii) is solely related to the Development, Manufacture, Commercialization or other Exploitation of one or more Licensed Products (and, for clarity, does not relate to any product that is not a Licensed Product). All Mersana Product Patent Rights existing as of the Effective Date are listed in Schedule 1.1.146. Mersana Product Patent Rights shall not include any Patent Right Controlled by Mersana under an agreement entered into pursuant to Section 12.3 unless and until Licensee agrees to have such Patent Right included in Mersana Product Patent Rights in accordance with the terms of such Section 12.3.

1.1.147 "**Mersana Product Technology**" means Mersana Product Know-How and Mersana Product Patent Rights.

1.1.148 "**Mersana Prosecution Patent Rights**" has the meaning set forth in Section 13.2(c).

1.1.149 "**Mersana Regulatory Documentation**" means Regulatory Documentation owned or Controlled by Mersana or any of its Affiliates on or after the Effective Date relating to a Licensed Product.

1.1.150 "**Mersana Supply Agreement**" has the meaning set forth in Section 6.3.

1.1.151 "**Mersana Technology**" means (a) the Mersana Product Technology, (b) the Mersana Platform Technology, (c) the Mersana Other Technology, and (d) Mersana's interest in the Joint Technology.

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1.1.152 "**Mersana Territory**" means the United States and Canada.

1.1.153 "**Mersana Trademarks**" has the meaning set forth in Section 7.6.3(b)(2).

1.1.154 "**Mersana Unauthorized Results**" has the meaning set forth in Section 2.8.2.

1.1.155 "**MHLW**" means the Ministry of Health, Labour and Welfare in Japan, or any successor entity thereto.

1.1.156 "**Mutual Secondary Supply Agreements**" has the meaning set forth in Section 6.5.3.

1.1.157 "**Net Sales**" means the aggregate gross invoiced amounts for all Licensed Products sold by or for Licensee, its Affiliates or Sublicensees (Licensee or such other selling person or entity, the "**Selling Person**") ("**Gross Sales**") to Third Parties (and not any Affiliate or Sublicensee of Licensee), in each case, after deduction (if not already deducted in the amount invoiced) of the following items paid by the Selling Person, provided and to the extent that such items are incurred or allowed and do not exceed reasonable and customary amounts in the market in which such sales occurred:

(a) any trade, quantity or cash discounts, allowances, rebates or payments actually taken and allowed, including promotional or similar discounts or rebates and discounts, rebates or payments (including compulsory payments) to governmental (national, state or local), group purchasing organizations, or managed care organizations;

(b) discounts provided in connection with coupon, voucher or similar patient programs;

(c) any credits or allowances given or made with respect to Licensed Products by reason of rejection, defects, recalls, returns, rebates, retroactive price reductions or uncollectable amounts;

(d) any tax, tariff, duty or government charge (including any sales, value added, excise or similar tax or government charge, but excluding any income tax) levied on the sale, transportation or delivery of Licensed Products and borne by the Selling Person without reimbursement from any Third Party, including that portion of the annual fee on prescription drug manufacturers imposed by the Patient Protection and Affordable Care Act, Pub. L. No. 111-148 (as amended) and similar contributions in all countries including that certain tax with respect to pharmaceutical or biotechnology companies in France (known as the *remise conventionelle*) and including any contribution for "Drug Induced Suffering" and "Contribution for Measure for Drug Safety" payable to the Pharmaceuticals and Medical Devices Agency in Japan and equivalent taxes, fees or contributions in all other countries in the Licensee Territory, that the Selling Person allocates to sales of Licensed Products in accordance with its standard policies and procedures consistently applied across its products, as applicable;

(e) any sales, credits or allowances given or made with respect to

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Licensed Products for wastage replacement, indigent patient, Clinical Trial and any unpaid compassionate or named patient, charitable or humanitarian programs; and

(f) any charges for freight, packaging for shipment, postage or transportation, or for insurance, in each case to the extent borne by the Selling Person.

In the event a Licensed Product is sold as part of a Combination Product (as defined below) in a country, the Net Sales of such Licensed Product, for the purposes of determining payments based on Net Sales in such country, shall be negotiated by the Parties in good faith, which negotiations shall commence promptly following filing by or on behalf of Licensee with a Regulatory Authority for Regulatory Approval with respect to such Combination Product (provided that any failure to reach agreement with respect thereto shall not require Licensee to delay the First Commercial Sale of such Combination Product), taking into account the relative price of each component when sold separately and in a manner consistent with industry standards. As used above, the term "**Combination Product**" means any pharmaceutical product that consists of XMT-1522 and other active compounds or active ingredients sold as a single formulation or any combination of a Licensed Product sold together with another pharmaceutical product for a single invoiced price, and the phrases "sold as part of a Combination Product," and "sold separately" refer to sales by the Selling Person in the applicable country.

All of the foregoing deductions from the gross invoiced sales prices of Licensed Products shall be determined in accordance with applicable Accounting Standards. In the event that the Selling Person makes any adjustments to such deductions after the associated Net Sales have been reported pursuant to this Agreement, the adjustments shall be reported and reconciled in the next report and payment of any royalties due or credit issued, as applicable.

1.1.158 "**Non-Filing Party**" has the meaning set forth in Section 5.4.

1.1.159 "**Non-Paying Party**" has the meaning set forth in Section 4.7.4.

1.1.160 "**Notice of Dispute**" has the meaning set forth in Section 20.3.1.

1.1.161 "**Notice Period**" has the meaning set forth in Section 14.4.

1.1.162 "**Overhead**" means an amount covering the applicable Party's internal overhead costs, including equipment maintenance costs, utilities, insurance premiums, general, administrative, supervisory and facilities expenses, including allocated personnel, building operating costs and depreciation and repairs and maintenance, excluding any idle capacity charges.

1.1.163 "**Party**" and "**Parties**" are defined in the introduction to this Agreement.

1.1.164 "**Patent Prosecution Activities**" means (a) the preparation, filing, prosecution and maintenance of and (b) activities in connection with any interference, re-issuance, re-examination, opposition and other post-grant proceedings handled by a national patent office, or its respective decision-making bodies, related to a Patent Right.

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1.1.165 "**Patent Right**" means any and all national, regional and international (a) issued patents and pending patent applications (including provisional patent applications), (b) patent applications filed either from the foregoing or from an application claiming priority to the foregoing, including all provisional applications, converted provisionals, substitutions, continuations, continuations-in-part, divisions, renewals and continued prosecution applications, and all patents granted thereon, (c) patents-of-addition, revalidations, reissues, reexaminations and extensions or restorations (including any supplementary protection certificates and the like) by existing or future extension or restoration mechanisms, including patent term adjustments, patent term extensions, supplementary protection certificates or the equivalent thereof, (d) inventor's certificates, utility models, petty patents, innovation patents and design patents, (e) other forms of government-issued rights comparable in scope to any of the foregoing, including so-called pipeline protection or any importation, revalidation, confirmation or introduction patent or registration patent or patent of additions to any of such foregoing and (f) United States and foreign counterparts of any of the foregoing.

1.1.166 "**Paying Party**" has the meaning set forth in Section 4.7.4.

1.1.167 "**Payload**" means a compound that is therapeutically or biologically active [***].

1.1.168 "**Permitted Licensee Holdings**" has the meaning set forth in Section 13.6.1(a).

1.1.169 "**Permitted Sublicense**" has the meaning set forth in Section 2.2.2.

1.1.170 "**Pharmacovigilance Agreement**" has the meaning set forth in Section 5.6.

1.1.171 "**Phase I Clinical Trial**" means a Clinical Trial of one or more Licensed Products conducted by or on behalf of a Party, its Affiliates, licensees or Sublicensees on a sufficient number of subjects for, and that generally provides for the first introduction into humans of such Licensed

Product(s) with, the primary purpose of determining safety, metabolism and pharmacokinetic properties and clinical pharmacology of such product, in a manner that is generally consistent with 21 C.F.R. § 312.21(a), as amended (or its successor regulation), excluding, for clarity any investigator-initiated Clinical Trials.

1.1.172 "**Phase II Clinical Trial**" means a Clinical Trial of one or more Licensed Products conducted by or on behalf of a Party, its Affiliates, licensees or Sublicensees on a sufficient number of subjects for making (and the principal purpose of which is to make) a preliminary determination as to whether a pharmaceutical product is safe for its intended use and obtaining (and to obtain) sufficient information about such product's efficacy, in a manner that is generally consistent with 21 C.F.R. § 312.21(b), as amended (or its successor regulation), or a similar clinical study prescribed by the Regulatory Authorities in a country outside the United States, to permit the design of further clinical trials of such Licensed Product(s), excluding, for clarity any investigator-initiated Clinical Trials.

1.1.173 "**Phase III Clinical Trial**" means a pivotal, randomized and controlled Clinical Trial of one or more Licensed Products with a defined dose or a set of defined

doses of such Licensed Product(s) and conducted by or on behalf of a Party, its Affiliates, licensees or Sublicensees on a sufficient number of subjects for ascertaining (and that is designed to ascertain) the efficacy and safety of the intended use of such Licensed Product(s) and determining (and to determine) warnings, precautions, and adverse reactions that are associated with such Licensed Product(s) in the dosage range to be prescribed, in a manner that is generally consistent with 21 C.F.R. § 312.21(c), as amended (or its successor regulation), or a similar clinical study prescribed by the Regulatory Authorities in a country outside the United States, which trial is necessary to support Regulatory Approval of such Licensed Product(s), excluding, for clarity any investigator-initiated Clinical Trials.

1.1.174 "**Phase IV Clinical Trial**" means (a) a Clinical Trial of one or more Licensed Products conducted following commencement of a Phase III Clinical Trial for such Licensed Product(s) that is not required for receipt of Regulatory Approval (whether such Clinical Trial is conducted prior to or after receipt of such Regulatory Approval), but that may be useful in support of the post-Regulatory Approval Exploitation of such Licensed Product(s); or (b) a Clinical Trial of one or more Licensed Products conducted after Regulatory Approval of such Licensed Product(s) have been obtained from an appropriate Regulatory Authority due to a request or requirement of such Regulatory Authority. Phase IV Clinical Trials may include epidemiological studies, modeling and pharmacoeconomic studies, post-marketing surveillance and clinical or other research studies, excluding, for clarity any investigator-initiated Clinical Trials.

1.1.175 "**PHSA**" means the United States Public Health Service Act, as may be amended, or any subsequent or superseding law, statute or regulation.

1.1.176 "**Platform Agreement**" means that certain Research Collaboration and Commercial License Agreement between Mersana and Licensee dated as of March 31, 2014, as amended.

1.1.177 "**Post-Phase I Development Costs**" means (a) the Development Costs incurred by a Party, its Affiliates, licensees or Sublicensees under the Global Development Plan (but excluding any Development Costs incurred in conducting Licensee Early Development or Mersana Early Development) and (b) any other costs that are designated as Post-Phase I Development Costs herein.

1.1.178 "**Pricing Approval**" means the later of (a) the approval, agreement, determination or governmental decision establishing the price for one or more Licensed Products that can be legally charged to consumers, as required in a given jurisdiction or country in connection with Commercialization of such Licensed Product(s) in such jurisdiction or country and (b) the approval, agreement, determination or governmental decision establishing, the level of reimbursement for one or more Licensed Products that will be reimbursed by Governmental Authorities, as required or desirable in a given jurisdiction or country in connection with Commercialization of such Licensed Product(s) in such jurisdiction or country.

1.1.179 "**Promotion**" means those activities, including, without limitation, congresses, opinion leader management, physicians meeting, professional education, detailing, advertising and distributing samples of a product normally undertaken by a pharmaceutical

company's sales force to implement marketing plans and strategies aimed at encouraging the appropriate use of a particular product. When used as a verb, "Promote" shall mean to engage in Promotion.

1.1.180 "**Proposed [***] Agreement**" has the meaning set forth in Section 2.6.2.

1.1.181 "**Proposed Independent Development**" has the meaning set forth in Section 4.7.2.

1.1.182 "**Proposed Joint Development**" has the meaning set forth in Section 4.7.3.

1.1.183 "**Publication**" has the meaning set forth in Section 10.5.

1.1.184 "**Quality Agreement**" means has the meaning set forth in Section 6.9.

1.1.185 "**Regulatory Approval**" means final regulatory approval (excluding Pricing Approval) required to sell one or more Licensed Products for a disease or condition in accordance with the Applicable Laws of a given country. In the United States, its territories and possessions, Regulatory Approval means approval of a New Drug Application, Biologics License Application or an equivalent by the FDA. In Japan, Regulatory Approval means marketing approval (*seizo hanbai shonin*) by the MHLW. In the European Union, Regulatory Approval means marketing authorization from the EMA.

1.1.186 "**Regulatory Authority**" means, with respect to a country in the world, any national (e.g., the FDA or the MHLW), supra-national (e.g., the European Commission, the Council of the European Union, or the EMA), regional, state or local regulatory agency, department, bureau, commission, council or other Governmental Authority involved in the granting of a Regulatory Approval or a Pricing Approval, for biopharmaceutical products in such country.

1.1.187 "**Regulatory Documentation**" means: all (a) applications (including all INDs), registrations, licenses, authorizations and approvals (including all Regulatory Approvals) other than Pricing Approvals; (b) material correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents with respect thereto, including all adverse event files and complaint files other than Pricing Approvals; (c) clinical and other data contained, referenced or otherwise relied upon in any of the foregoing; and (d) for clarity, any Drug Master File.

1.1.188 "**Regulatory Exclusivity**" means, with respect to a Licensed Product in a country, any exclusive marketing right, data exclusivity right, orphan drug designation or other country-wide exclusive right or status conferred by any Governmental Authority with respect to such Licensed Product in such country, other than a Patent Right, that limits or prohibits a person or entity from (i) relying on safety or efficacy data generated by or for a Party with respect to such Licensed Product in an application for Regulatory Approval of a

Biosimilar/Generic Product or (ii) Commercializing such Licensed Product or a product with the same active ingredient as such Licensed Product.

1.1.189 "**Requesting Party**" has the meaning set forth in Section 4.7.3.

1.1.190 "**Right of Reference or Use**" means the right to cross reference, incorporate by reference or rely upon any Regulatory Documentation solely for the purpose of obtaining or maintaining Regulatory Approval, Pricing Approval or an IND for a Licensed Product, including a "Right of Reference or Use" as that term is defined in 21 C.F.R. §314.3(b) in the United States, and any equivalents thereof outside the United States.

1.1.191 "**Royalty Report**" has the meaning set forth in Section 9.1.1.

1.1.192 "**Royalty Term**" means, on a country-by-country basis (i.e., the country of sale) and on a Licensed Product-by-Licensed Product basis, the period commencing upon the First Commercial Sale of such Licensed Product in such country and ending upon the later to occur of ((a), (b) and (c)): (a) the date of expiration of the last Valid Patent Claim of a Mersana Patent Right or Joint Patent Right that Covers such Licensed Product in such country; (b) the date of expiration of Regulatory Exclusivity for such Licensed Product in such country, and (c) in the case of the first Licensed Product sold in such country only, [***] years after the First Commercial Sale of such Licensed Product in such country.

1.1.193 "**Second Supply Chain**" has the meaning set forth in Section 6.1.

1.1.194 "**Securities Act**" has the meaning set forth in Section 8.2.3.

1.1.195 "**Selling Person**" has the meaning set forth in Section 1.1.157.

1.1.196 "**Shared Post-Phase I Development Costs**" has the meaning set forth in Section 4.6.5.

1.1.197 "**Standstill Period**" has the meaning set forth in Section 13.6.

1.1.198 "**Standstill Termination Event**" has the meaning set forth in Section 13.6.

1.1.199 "**Sublicensee**" means, with respect to Licensee, any person or entity that is granted a sublicense under the Mersana Technology by Licensee or its Affiliate in accordance with the terms of this Agreement, including Sections 2.2 and 2.4, and, with respect to Mersana, any person or entity that is granted a sublicense under the Licensee Technology by Mersana or its Affiliates in accordance with the terms of this Agreement, including Sections 2.2 and 2.4.

1.1.200 "**Supply Cost**" means the actual fully-burdened cost to, and out-of-pocket expenses incurred by, Mersana or Licensee, as applicable, or its Affiliates, licensees or Sublicensees for the supply of a Licensed Product, calculated using a methodology consistent with applicable Accounting Standards; provided that under no circumstances shall capital costs or any depreciation of capital constitute part of the Supply Cost. In no circumstances shall

Supply Costs incurred by a Party's Affiliate, licensee or Sublicensee be double counted, and in no circumstances shall any mark-up among such Party and its applicable Affiliates, licensees or Sublicensees be included as a Supply Cost.

1.1.201 "**Technical Transfer Plan**" has the meaning set forth in Section 6.5.1.

1.1.202 "**Term**" has the meaning set forth in Section 14.1.

1.1.203 "**Terminated Territory**" means each country with respect to which this Agreement is terminated by a Party pursuant to Section 14.4 or, if this Agreement is terminated in its entirety, the world.

1.1.204 "**Third Party**" means any person or entity other than Licensee, Mersana and their respective Affiliates.

1.1.205 "**Third Party Action**" has the meaning set forth in Section 12.1.1.

1.1.206 "**Third Party IP Rights**" means Patent Rights and Know-How controlled by a Third Party.

1.1.207 "**Third Party Payments**" means any amounts paid by a Party or any of its Affiliates to a Third Party (including [***]) in consideration for a license of Third Party IP Rights from any Third Party to Manufacture or Commercialize one or more Licensed Products.

1.1.208 "**Triggering Transaction**" has the meaning set forth in Section 13.6.9.

1.1.209 "**Valid Patent Claim**" means with respect to a Patent Right in a country any claim of an (a) issued Patent Right that has not (i) expired, irretrievably lapsed or been abandoned, revoked, dedicated to the public or disclaimed or (ii) been found to be unpatentable, invalid or unenforceable by an unreversed and unappealable decision of a Governmental Authority in such country; or (b) application for a Patent Right that (i) has been pending for less than [***] years and is being prosecuted in good faith and has not been abandoned or finally disallowed without the possibility of appeal or re-filing and (ii) has not been admitted to be invalid or unenforceable through reissue, reexamination, or disclaimer, and which is not subject to an interference claim. In the event that a Patent Right issues from an application for a Patent Right described in clause (b) of this definition, the claims of such issued Patent Right will be deemed to be Valid Patent Claims from and after the date of issuance so long as it satisfies the requirements of clause (a) of this definition.

1.1.210 "**XMT-1519**" means the HER2 Antibody that has the amino acid sequence that is set forth in Schedule 1.1.210.

1.1.211 "**XMT-1519 Technical Transfer Plan**" has the meaning set forth in Section 6.4.2.

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1.1.212 "**XMT-1522**" means an ADC comprising (a) Fleximer, (b) Auristatin F HPA, (c) a polyethylene glycol maleimide bioconjugation linker, and (d) XMT-1519. The chemical structure of XMT-1522 is set forth in Schedule 1.1.212.

1.2 Certain Rules of Interpretation in this Agreement and the Schedules.

1.2.1 Unless otherwise specified, all references to monetary amounts are to United States of America currency (U.S. Dollars);

1.2.2 The preamble to this Agreement and the descriptive headings of Articles and Sections are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of this Agreement or of such Articles or Sections;

1.2.3 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 (and/or);

1.2.4 The words "include" and "including" have the inclusive meaning frequently identified with the phrases "without limitation" and "but not limited to";

1.2.5 The words "will" and "shall" have the same meaning;

1.2.6 Whenever this Agreement refers to a number of days, unless otherwise specified, such number refers to calendar days. Unless otherwise specified, deadlines within which any payment is to be made or act is to be done within or following specified time period after a date shall be calculated by excluding the day, month or year of such date, as applicable, and including the day, month or year of the date on which the period ends;

1.2.7 Whenever any payment is to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following such day to make such payment or do such act;

1.2.8 Unless otherwise specified, references in this Agreement to any Article, Section or Schedule shall mean references to such Article, Sections or Schedule of this Agreement; and

1.2.9 Activities by one Party hereunder are not considered conducted "by or on behalf of" the other Party.

ARTICLE 2 - LICENSES

2.1 Exclusive License Grant to Licensee. Subject to the terms and conditions of this Agreement, and commencing as of the Effective Date, Mersana shall, and does hereby, grant to Licensee, during the Term and thereafter in the case of expiration of this Agreement, and in accordance with the terms of this Agreement, (a) a co-exclusive (with Mersana and its Affiliates and its licensees of Licensed Products for the Mersana Territory), irrevocable (unless and until terminated pursuant to this Agreement), non-transferrable (except as set forth in Article 17),

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royalty-bearing right and license to and under the Mersana Technology, with the right to sublicense (through multiple tiers) as permitted in Section 2.4, to Develop and Manufacture (subject to Article 6) Licensed Products in the Field worldwide, and (b) subject to Mersana's retained rights to Develop and Manufacture Licensed Products in the Licensee Territory, an exclusive (even as to Mersana and its Affiliates and such licensees, except to the extent required for Mersana to perform its obligations under this Agreement), irrevocable (unless and until terminated pursuant to this Agreement), non-transferrable (except as set forth in Article 17), royalty-bearing right and license to and under the Mersana Technology, with the right to sublicense (through multiple tiers) as permitted in Section 2.4, to Commercialize and otherwise Exploit Licensed Products in the Field in the Licensee Territory (collectively, the "**Exclusive License**").

2.2 Unblocking License Grants.

2.2.1 Subject to the provisions of this Agreement, Licensee hereby grants to Mersana a worldwide, non-exclusive, non-transferable (except as set forth in Article 17), royalty-free, fully-paid and perpetual right and license for uses other than the Exploitation of one or more Licensed Products, with the right to sublicense (through multiple tiers) in accordance with Section 2.2.2, under the (a) Licensee Product Technology, (b) Licensee Other Technology and (c) Additional Technology to the extent Controlled by Licensee, in each case ((a)-(c)), that is invented, conceived or developed by or on behalf of Licensee, its Affiliates, or Sublicensees during the Term in the course of conducting Collaboration Activities that, in each case, claim, relate to or consist of, or are otherwise necessary or useful for the Exploitation of, Fleximer, a Payload coupled to Fleximer or the conjugation of a pharmaceutical compound to an Antibody using Fleximer for the Exploitation of Fleximer or any ADC containing Fleximer.

2.2.2 Mersana shall have the right to grant sublicenses through multiple tiers of its license granted pursuant to Sections 2.2.1 to any Affiliate or Third Party, if such sublicense is a Permitted Sublicense or consented in writing by Licensee. A "**Permitted Sublicense**" is one that is granted in connection with (a) the rights to a product under clinical development or being commercialized by Mersana or its Affiliate or (b) a grant of other bona fide intellectual property rights, which sublicense is limited to uses in connection with such product or such grant of other intellectual property rights, and excludes any grant of a sublicense that is made with knowledge of Mersana or its Affiliate that the intended use of such sublicense is the development or commercialization of a biosimilar or generic version of any of Licensee's proprietary product(s). If Mersana grants a sublicense under this Section 2.2.2, it shall provide written notice to Licensee.

2.2.3 Subject to the provisions of this Agreement, Mersana hereby grants to Licensee a worldwide, non-exclusive, non-transferable (except as set forth in Article 17), royalty-free, fully-paid and perpetual right and license for uses other than the Exploitation of one or more Licensed Products, with the right to sublicense (through multiple tiers), under the Mersana Platform Technology that is invented, conceived or developed by or on behalf of Licensee, its Affiliates, or Sublicensees during the Term in the course of conducting Collaboration Activities, and that is assigned by Licensee, its Affiliates or Sublicensees to Mersana under Section 11.2.2 or is licensed by Licensee to Mersana under Section 2.2.4, for use in the Exploitation of ADCs [***]. For clarity, the foregoing shall not limit Licensee's rights

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under the Platform Agreement, and Licensee shall retain the right to use such Mersana Platform Technology in connection with ADCs [***] and are created under Platform Agreement.

2.2.4 Subject to the provisions of this Agreement, Licensee hereby grants to Mersana a worldwide, exclusive, non-transferable (except as set forth in Article 17), royalty-free, fully-paid and perpetual right and license, with the right to sublicense (through multiple tiers), for any and all uses under Licensee's rights to all Patent Rights and Know-How that (i) if invented, conceived, or developed by Licensee (for clarity, during the Term in the course of conducting its Collaboration Activities), would be assigned to Mersana as Mersana Platform Technology under this Agreement, (ii) is invented, conceived, or developed by or on behalf of any Sublicensee of Licensee during the Term in the course of conducting Collaboration Activities, whether alone or with Licensee or a Third Party and (iii) is not assigned to Mersana under Section 11.2.2.

2.3 License to Mersana. Subject to the terms and conditions of this Agreement, and commencing as of the Effective Date, Licensee shall, and does hereby grant to Mersana, during the Term and thereafter, and in accordance with terms of this Agreement, (a) an co-exclusive (with Licensee and its Affiliates and its Sublicensees of Licensed Products for the Licensee Territory), perpetual, irrevocable, non-transferrable (except as set forth in Article 17), royalty-free, fully paid (except as set forth in Section 12.3) right and license to and under the Licensee Technology, with the right to sublicense (through multiple tiers) as permitted in Section 2.4, to Develop and Manufacture (subject to Article 6) Licensed Products in the Field worldwide, and (b) subject to Licensee's retained rights to Develop and Manufacture Licensed Products in the Mersana Territory, an exclusive (even as to Licensee and its Affiliates and such Sublicensees, except to the extent required for Licensee to perform its obligations under this Agreement), perpetual, irrevocable, non-transferrable (except as set forth in Article 17), royalty-bearing right and license to and under the Licensee Technology, with the right to sublicense (through multiple tiers) as permitted in Section 2.4, to Commercialize and otherwise Exploit Licensed Products in the Field in the Mersana Territory.

2.4 (Sub)licenses.

2.4.1 Licensee shall have the right to grant sublicenses of the Exclusive License through multiple tiers to any Affiliate or any Third Party. For clarity, Licensee shall not have the right to sublicense the Mersana Technology under the Exclusive License outside the scope of the Exclusive License granted herein. As a condition to granting any sublicense hereunder, Licensee shall use Commercially Reasonable Efforts to require each Sublicensee to transfer or convey back to Licensee, with the right to grant licenses through multiple tiers, all Patent Rights and Know-How that (i)(A) if Controlled by Licensee, would be Licensee Technology or (B) if invented, conceived, or developed by Licensee, would be assigned to Mersana as Mersana Platform Technology under this Agreement, and (ii) is invented, conceived, or developed by or on behalf of any such Sublicensee, whether alone or with Licensee or a Third Party under such sublicense; provided, however, if Licensee is unable after the use of Commercially Reasonable Efforts to require such Sublicensee to transfer or convey back

such Patent Rights or Know-How, Licensee shall require such Sublicensee to license, with the right to grant sublicenses through multiple tiers, any such Patent Rights or Know-How that are related to the Manufacturing of Licensed Products or Components to Licensee with a scope at least as broad as the scope of the

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license grants in Sections 2.2.1 and 2.3 in the case of the Patent Rights and Know-How described in subclause (A) above and Section 2.2.4 in the case of Patent Rights and Know-How described in subclause (B) above (on an exclusive or non-exclusive basis) and shall use Commercially Reasonable Efforts to obtain an exclusive grant of rights in such license. As a condition to granting any sublicense hereunder, Licensee shall require each Sublicensee to be bound to Sections 2.4, 2.8, 4.3, 4.7, 5.1, 5.2, 5.3, 7.6.3(a), 7.6.3(b)(8), 11.2, 13.5, 14.6.2(c), 14.6.2(d) and 14.6.2(i) and Article 10 of this Agreement. Licensee shall remain obligated for all of its obligations under this Agreement, to the extent not satisfied by or on behalf of Licensee or any Sublicensee, and, as between the Parties, will remain liable for all acts or omissions of its Sublicensees under the Exclusive License. Licensee shall notify Mersana within a reasonable period after granting any sublicense under this Agreement to a Licensed Product to a Third Party other than a service provider. Licensee shall use Commercially Reasonable Efforts to obtain Control of any Regulatory Documentation generated by or owned by any such Sublicensee that if Controlled by Licensee would be Developed Regulatory Documentation to the extent necessary for Licensee to grant to Mersana rights under such Regulatory Documentation as set forth in Section 2.5.

2.4.2 Licensee shall make all payments due to Mersana pursuant to this Agreement by reason of achievement of any fees, milestones and royalties set forth herein by any of its Sublicensees.

2.4.3 Mersana shall have the right to grant sublicenses through multiple tiers of the license granted to Mersana pursuant to Section 2.3 to any Affiliate or any Third Party. For clarity, Mersana shall not have the right to sublicense the Licensee Technology licensed pursuant to Section 2.3 outside the scope of the license granted therein. As a condition to granting any sublicense hereunder or any license with regard to a Licensed Product in the Mersana Territory, Mersana shall use Commercially Reasonable Efforts to require each Sublicensee or each licensee under such a license to transfer or convey back to Mersana, with the right to grant licenses through multiple tiers, all Patent Rights and Know-How that, (i) if Controlled by Mersana, would be Mersana Technology, and (ii) is invented, conceived, or developed by or on behalf of any such Sublicensee or licensee, whether alone or with Mersana or a Third Party under such sublicense or license; provided, however, if Mersana is unable after the use of Commercially Reasonable Efforts to require such Sublicensee or licensee to transfer or convey back such Patent Rights or Know-How, Mersana shall require such Sublicensee to license, with the right to grant sublicenses through multiple tiers, any such Patent Rights or Know-How that are related to the Manufacturing of Licensed Products or Components to Mersana with a scope at least as broad as the scope of the license grant in Section 2.1 (on an exclusive or non-exclusive basis) and shall use Commercially Reasonable Efforts to obtain an exclusive grant of rights in such license. As a condition to granting any sublicense hereunder or any license with regard to a Licensed Product in the Mersana Territory, Mersana shall require each Sublicensee or each licensee under such a license to be bound to Sections 2.4, 2.8 (only in the case of Sublicensee and not a licensee), 4.3, 4.7, 5.1, 5.2, 5.3, 7.6.3(a), 7.6.3(b)(8), 11.2 and 13.5 and Article 10 of this Agreement. Mersana shall remain obligated for all of its obligations under this Agreement, to the extent not satisfied by or on behalf of Mersana or any Sublicensee or licensee, and, as between the Parties, will remain liable for all acts or omissions of its Sublicensees under Section 2.3. Mersana shall notify Licensee within a reasonable period after granting any sublicense under this Agreement to a Licensed Product or any license with regard to a Licensed Product in the Mersana Territory to a

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Third Party other than a service provider. Mersana shall use Commercially Reasonable Efforts to obtain Control of any Regulatory Documentation generated by or owned by any such Sublicensee or licensee that if Controlled by Mersana would be Developed Regulatory Documentation to the extent necessary for Mersana to grant to Licensee rights under such Regulatory Documentation as set forth in Section 2.5.

2.5 Right of Reference and Use.

2.5.1 Without limiting any other disclosure obligations under this Agreement, each Party shall, upon request, disclose to the other Party all pre-clinical, non-clinical, clinical data (including clinical and other applicable reports and, upon request, raw data) and Regulatory Documentation Controlled by a Party or its Affiliates and generated from or arising out of its Development activities that are included within the Collaboration Activities (the "**Developed Regulatory Documentation**"). Notwithstanding the foregoing, any data that is or is of the type that would be included in any Drug Master File (e.g., chemistry, manufacturing and controls data) shall be required to be disclosed only (a) to the extent reasonably necessary for the receiving Party to support or maintain an IND anywhere in the world to Develop the Licensed Products as contemplated hereunder or application for Regulatory Approval or Pricing Approval in its territory or (b) pursuant to a separate provision under this Agreement or any supply or quality agreement agreed between the Parties or their respective Affiliates. For clarity, such Developed Regulatory Documentation shall be Confidential Information of the applicable disclosing Party, and may be used by the receiving Party only as expressly licensed under this Agreement. For clarity, Mersana shall not reference or otherwise use clinical data or Licensee Regulatory Documentation generated in connection with any Independent Development of Licensee unless and until Mersana [***], and Licensee shall not reference or otherwise use clinical data or Mersana Regulatory Documentation generated in connection with any Independent Development of Mersana unless and until Licensee [***].

2.5.2 Subject to Section 2.5.4, each Party shall have the right to use Developed Regulatory Documentation in order to Develop Licensed Products, obtain or maintain Regulatory Approval for and Commercialize Licensed Products in the Field to the extent licensed under Section 2.1 or Section 2.3, as applicable, either exclusively or non-exclusively, as set forth in such section in accordance with the terms of this Agreement.

2.5.3 Subject to Section 2.5.4, each Party hereby grants to the other Party a Right of Reference or Use to any and all such Developed Regulatory Documentation Controlled by such Party to Develop Licensed Products and obtain or maintain Regulatory Approval and Pricing Approval for Licensed Products to the extent licensed under Section 2.1 or Section 2.3, as applicable, either exclusively or non-exclusively, as set forth in such section, and

agrees to sign, and cause its Affiliates to sign, any instruments reasonably requested by such other Party in order to effect such grant. For clarity, Licensee shall be permitted to reference or rely on United States Regulatory Documentation as reasonably necessary for Licensee's activities in the Licensee Territory hereunder (or Licensee's Development or Manufacturing activity with regard to Licensed Products in the Mersana Territory), Mersana shall be permitted to reference or rely on Regulatory Documentation from the Licensee Territory as reasonably necessary for Mersana's activities in the Mersana Territory hereunder (or Mersana's Development or Manufacturing activity with regard to Licensed Products in the Licensee Territory), and each

Party shall provide a Certificate of Pharmaceutical Product, or any equivalents thereof outside the United States, for Licensed Products if requested by the other Party.

2.5.4 For Developed Regulatory Documentation generated from or arising out of Independent Development of a Paying Party or its Affiliates, licensees or Sublicensees, Sections 2.5.2 and 2.5.3 shall not apply, except where the Non-Paying Party provides written notice to the Paying Party that it wishes to use such Developed Regulatory Documentation and complies with the requirements set forth in Section 4.7.4, including the making of the applicable Development Opt-In Payment thereunder.

2.6 [***] Exclusivity.

2.6.1 For a period of [***] years after the Effective Date, neither Party nor its Affiliates shall carry out, conduct or engage in any activity, by itself or with or through any Third Party, directly or indirectly, to [***], except that, during such period, either Party may conduct [***]. In the event that either Party intends, during such [***], then prior to doing so such Party shall (a) [***], (b) [***] and (c) [***].

2.6.2 In the event that either Party intends to acquire or obtain a license, option, or other right from a Third Party with respect to any biologic product that targets [***] as its therapeutically relevant mechanism of action during such [***] year period described in Section 2.6.1 (the "**Proposed [***] Agreement**"), then, prior to obtaining or acquiring such rights, such Party shall (a) [***], (b) [***] and (c) [***]. Such other Party shall notify the offering Party if it wishes to negotiate such terms within [***] days of receipt of such information provided in the prior sentence, and if such other Party elects to negotiate, the Parties shall negotiate such terms in good faith for [***] days. In the event that such other Party does not provide such notice, such participation right shall terminate. Unless and until the Parties agree on such terms or if the Party considering the offer declines to participate in the Proposed [***] Agreement, the offering Party shall not enter into such Proposed [***] Agreement until the expiration of such [***] year period described in Section 2.6.1.

2.6.3 Notwithstanding anything to the contrary, Sections 2.6.1 and 2.6.2 shall not apply to any Development or Manufacture activities conducted anywhere in the world or Commercialization activities conducted in Japan by Licensee or its Affiliates, by itself or with or through any Third Party, with respect to any generic or biosimilar product that targets [***] as its therapeutically relevant mechanism of action pursuant to the Business Venture Contract by and among Takeda Pharmaceutical Company Limited, Teva Holdings KK, Teva Pharma Japan Inc., and Taisho Pharmaceutical Industries, Ltd. dated November 30, 2015.

2.6.4 Until [***], if Mersana Develops or in-licenses rights to [***], then Mersana shall provide [***] to Licensee and will offer Licensee the right to license such [***] in the Licensee Territory on terms to be negotiated, and Licensee shall have [***] days from receipt of such data to notify Mersana if it wishes to negotiate such terms. If Licensee makes a timely election to negotiate such terms, the Parties shall negotiate such terms in good faith for a period of [***] days following Mersana's receipt of Licensee's election notice and such negotiation period may be extended by mutual consent of the Parties. If Licensee elects not to negotiate such terms or fails to timely notify Mersana of its desire to negotiate such terms, or if, following the

expiration of such negotiation period, the Parties have not reached agreement on such terms then Mersana may undertake, or permit its Affiliates, licensees or Sublicensees to undertake, further Development of such biologic product. Notwithstanding the foregoing, until [***], Mersana may [***].

2.6.5 This Section 2.6 shall not apply to [***] that does not have a license or other grant of rights from [***].

2.7 Other Licenses in Mersana Territory. Promptly following Mersana's receipt or delivery of a bona fide term sheet from or to a Third Party for an agreement that would grant a license or option to license under the Mersana Technology to Develop, Manufacture, Commercialize or otherwise Exploit a Licensed Product in the Mersana Territory (including any right to co-promote a Licensed Product in the Mersana Territory) to any Third Party (or at any earlier time that Mersana may elect in its sole discretion), [***] after which time Mersana shall be free to grant any such license to a Third Party in its sole discretion.

2.8 Unauthorized Use.

2.8.1 If Licensee or any of its Affiliates or Sublicensees uses any Mersana Technology in any manner other than as expressly permitted under Section 2.1, Section 2.2, Section 2.4 and Section 2.5 then any and all intellectual property, data and other results arising out of such unauthorized use, whether patentable or not (collectively, the "**Licensee Unauthorized Results**"), shall belong solely and exclusively to Mersana. Licensee, on behalf of itself and its Affiliates, hereby assigns and agrees to assign to Mersana, and will cause its Sublicensees to assign to Mersana, all of Licensee's and its Affiliates' and Sublicensees' right, title and interest in and to all Licensee Unauthorized Results. Licensee further agrees to cooperate with Mersana to execute and deliver any and all documents that Mersana deems reasonably necessary to perfect and enforce Mersana's rights under this Section 2.8. Nothing in this Section 2.8 shall limit in any way any other remedy that Mersana may have under this Agreement as a result of Licensee's unauthorized use of any Mersana Technology.

2.8.2 If Mersana or any of its Affiliates or Sublicensees uses any Licensee Technology in any manner other than as expressly permitted under Section 2.2, Section 2.3, Section 2.4 and Section 2.5 then any and all intellectual property, data and other results arising out of such unauthorized use, whether patentable or not (collectively, the "**Mersana Unauthorized Results**"), shall belong solely and exclusively to Licensee. Mersana, on behalf of itself and its Affiliates, hereby assigns and agrees to assign to Licensee, and will cause its Sublicensees to assign to Licensee, all of Mersana's and its Affiliates' and Sublicensees' right, title and interest in and to all Mersana Unauthorized Results. Mersana further agrees to cooperate with Licensee to execute and deliver any and all documents that Licensee deems reasonably necessary to perfect and enforce Licensee's rights under this Section 2.8. Nothing in this Section 2.8 shall limit in any way any other remedy that Licensee may have under this Agreement as a result of Mersana's unauthorized use of any Licensee Technology.

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2.8.3 Notwithstanding the foregoing, nothing in this Section 2.8 shall limit Licensee's rights to conduct activities (a) under the Platform Agreement or (b) that (i) do not infringe the Mersana Technology and (ii) do not make use of Mersana Technology except as permitted under Section 10.2, and no such activities ((a) or (b)) constitute a breach of this Section 2.8. Notwithstanding the foregoing, nothing in this Section 2.8 shall limit Mersana's rights to conduct activities that (i) do not infringe the Licensee Technology and (ii) do not make use of Licensee Technology except as permitted under Section 10.2, and no such activities constitute a breach of this Section 2.8.

ARTICLE 3 - GOVERNANCE

3.1 **Primary Contacts**. Promptly following the Effective Date, each Party shall designate (i) an individual to be reasonably available to the other Party to facilitate communication, respond to questions and otherwise coordinate the Parties' activities with respect to business issues under this Agreement and (ii) an individual to be reasonably available to the other Party to facilitate communication, respond to questions and otherwise coordinate the Parties' activities with respect to scientific and Development matters under this Agreement. Such designated individuals may, but are not required to, serve as a representative of its respective Party on any Joint Committee. A Party may replace its designated individuals at any time by written notice to the other Party.

3.2 **Joint Steering Committee**.

3.2.1 **Establishment**. Within [***] days of the Effective Date, the Parties shall establish a joint steering committee (the "**Joint Steering Committee**") composed of [***] appointed [***] of each of Licensee and Mersana, with at least [***] appointed [***] of each Party having sufficient expertise and sufficient seniority and authority with respect to the applicable Party to make decisions with respect to manufacturing matters. A Party may change [***] on the Joint Steering Committee at any time or elect to have one (1) of its members represented by a delegate at a meeting of the Joint Steering Committee, subject to the confidentiality provisions of Article 10. [***]. The chairperson shall not have any greater authority than any other representative on the Joint Steering Committee and shall be responsible for the following activities of the Joint Steering Committee: (a) calling meetings of the Joint Steering Committee, (b) preparing and issuing minutes of each such meeting within [***] days thereafter, which minutes shall not be finalized until each Party reviews and confirms the accuracy of such minutes in writing (provided that any minutes shall be deemed approved unless a member of the committee objects to the accuracy of such minutes within [***] days of the circulation of the minutes by the committee), and (c) preparing and circulating an agenda for the upcoming meeting; provided, that the chairperson shall include any agenda items proposed by the Party of which the chairperson is not a representative. The Parties may allow additional employees to attend meetings of the Joint Steering Committee subject to the confidentiality provisions of Article 10. In addition to expertise, seniority, and authority with respect to manufacturing matters, each Party's Joint Steering Committee members shall collectively have sufficient expertise and sufficient seniority and authority with respect to the applicable Party to make other decisions within the scope of the Joint Steering Committee's authority, including with respect to clinical, regulatory, and business matters.

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3.2.2 **Responsibilities**. The Joint Steering Committee shall have responsibility for:

(a) attempting to resolve any disputes arising under any subcommittee of the Joint Steering Committee;

(b) reviewing and approving the adoption (as applicable) or amendment of the Global Development Plan, Global Commercialization Plan, Global Branding Strategy, and Global Manufacturing Plan formulated by the Parties or the subcommittees as set forth herein; and

(c) performing such other functions as appropriate to further the purposes of this Agreement, as mutually agreed upon by the Parties in writing.

3.3 **Subcommittees**. The Parties may establish such subcommittees of the Joint Steering Committee as required under this Agreement or as deemed necessary by the Parties. Each such subcommittee shall consist of an equal number of representatives designated by each Party, which number shall be mutually agreed by the Parties. Each Party shall be free to change its representatives on notice to the other or to send a substitute representative to any subcommittee meeting, subject to the confidentiality provisions of Article 10; provided, however, that each Party shall ensure that at all times during the existence of any subcommittee, its representatives on such subcommittee have appropriate expertise and seniority for the then-current stage of Development, Manufacture and Commercialization of Licensed Products, in each case to the extent applicable to the role of the subcommittee. Each subcommittee shall report to, and any disputes under a subcommittee shall be referred to the Joint Steering Committee, subject to Section 3.5. The initial two (2) subcommittees of the Joint Steering Committee will be the joint development committee (the "**Joint Development Committee**") and the joint manufacturing committee ("**Joint Manufacturing Committee**").

3.3.1 Joint Development Committee.

(a) Formation and Composition. Within [***] days of the Effective Date, the Parties will establish the Joint Development Committee composed [***] appointed [***] of each of Licensee and Mersana. A Party may change [***] on the Joint Development Committee at any time or elect to have one (1) of its members represented by a delegate at a meeting of the Joint Development Committee, subject to the confidentiality provisions of Article 10. [***]. The chairperson shall not have any greater authority than any other representative on the Joint Development Committee and shall be responsible for the following activities of the Joint Development Committee: (a) calling meetings of the Joint Development Committee, (b) preparing and issuing minutes of each such meeting within [***] days thereafter, which minutes shall not be finalized until each Party reviews and confirms the accuracy of such minutes in writing (provided that any minutes shall be deemed approved unless a Party's representative to the committee objects to the accuracy of such minutes within [***] days of the circulation of the minutes by the committee), and (c) preparing and circulating an agenda for the upcoming meeting; provided, that the chairperson shall include any agenda items proposed by the Party of which the chairperson is not a representative. The Parties may allow additional employees to attend meetings of the Joint Development Committee subject to the confidentiality

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provisions of Article 10. Joint Development Committee members shall have sufficient expertise and sufficient seniority and authority with respect to the applicable Party to make decisions within the scope of the Joint Development Committee's authority, including with respect to clinical, regulatory and business matters relating to Development.

(b) Functions and Authority. The Joint Development Committee shall have responsibility for:

(1) overseeing any Mersana Early Development as set forth under Section 4.1;

(2) overseeing any Licensee Early Development as set forth under Section 4.2;

(3) setting overall strategic objectives related to the Development of Licensed Products in the Field throughout the world (but such objectives shall not be construed to prevent the conduct of Independent Development pursuant to Section 4.7);

(4) overseeing the design and planning of Clinical Trials to be included in and conducted under the Global Development Plan, including the development of protocols and budgets for such Clinical Trials and determining which Party shall serve as the operational lead for each such Clinical Trial;

(5) reviewing, commenting on, and recommending for review and approval by the Joint Steering Committee, as applicable, any amendments or revisions to the Global Development Plan, and the budget relating thereto (other than as expressly reserved for the Joint Manufacturing Committee under Section 3.3.3(b));

(6) overseeing the Development activity conducted under this Agreement other than Independent Development, and facilitating reasonable transparency with respect to Independent Development;

(7) establishing the reporting obligations of the Parties with respect to Development activities and reviewing all such Development reports provided in accordance with Section 4.5;

(8) monitoring each Party's performance against the then-current Global Development Plan, except to the extent such function is assigned to the Joint Manufacturing Committee;

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(9) establishing a medical affairs subcommittee to review all investigator-sponsored studies with respect to Licensed Products as to which a Party agrees to provide clinical supply or other support, where the other Party's medical affairs subcommittee representatives may object only if they believe the study will have a material adverse effect on Commercialization of Licensed Products in the Mersana Territory, if such other Party is Mersana, or in the Licensee Territory, if such other Party is Licensee; provided that any dispute regarding an alleged material adverse effect shall be escalated to the Joint Development Committee;

(10) reviewing and commenting on Licensee's regulatory strategies for obtaining and maintaining Regulatory Approvals for the sale of Licensed Products in the Field in the Licensee Territory;

(11) reviewing proposed Development activities for Licensed Products for the Licensee Territory that may impact Development of Licensed Products by Mersana for the Mersana Territory;

(12) reviewing and commenting on Mersana's regulatory strategies for obtaining and maintaining Regulatory Approvals for the sale of Licensed Products in the Field in the Mersana Territory;

(13) reviewing proposed Development activities for Licensed Products for the Mersana Territory that may impact Development of Licensed Products by Licensee for the Licensee Territory;

(14) facilitating the exchange of information between the Parties under this Agreement regarding the strategy for implementing the Development activities; and

(15) performing such other functions as may be assigned to the Joint Development Committee pursuant to this Agreement or as may be mutually agreed upon by the Parties in writing.

3.3.2 Joint Commercialization Committee.

(a) Formation and Composition. Promptly following Initiation of the [***] Clinical Trial under the Global Development Plan, or earlier as needed, the Parties shall establish a joint commercialization committee ("**Joint Commercialization Committee**") composed of [***] appointed [***] of each of Licensee and Mersana. A Party may change [***] on the Joint Commercialization Committee at any time or elect to have one (1) of its members

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represented by a delegate at a meeting of the Joint Commercialization Committee, subject to the confidentiality provisions of Article 10. [***]. The chairperson shall not have any greater authority than any other representative on the Joint Commercialization Committee and shall be responsible for the following activities of the Joint Commercialization Committee: (i) calling meetings of the Joint Commercialization Committee, (ii) preparing and issuing minutes of each such meeting within [***] days thereafter, which minutes shall not be finalized until each Party reviews and confirms the accuracy of such minutes in writing (provided that any minutes shall be deemed approved unless a Party's representative to the committee objects to the accuracy of such minutes within [***] days of the circulation of the minutes by the committee), and (iii) preparing and circulating an agenda for the upcoming meeting; provided, that the chairperson shall include any agenda items proposed by the Party of which the chairperson is not a representative. The Parties may allow additional employees or consultants to attend meetings of the Joint Commercialization Committee subject to the confidentiality provisions of Article 10. Joint Commercialization Committee members shall have sufficient expertise and sufficient seniority and authority with respect to the applicable Party to make decisions within the scope of the Joint Commercialization Committee's authority.

(b) Functions and Authority. The Joint Commercialization Committee shall have responsibility for:

(1) developing, reviewing, commenting on and recommending for review and approval by the Joint Steering Committee the Global Commercialization Plan, the Global Branding Strategy, and any amendments or revisions thereto;

(2) setting overall strategic objectives related to Commercialization of Licensed Products in the Field throughout the world through the Global Commercialization Plan;

(3) monitoring at a high-level the Commercialization activities conducted under this Agreement;

(4) reviewing all Commercialization reports provided in accordance with Section 7.5;

(5) monitoring each Party's performance against the then-current Global Commercialization Plan, subject to Section 7.1;

(6) sharing, as may be useful to the Collaboration Activities any promotional materials or educational materials used in the Commercialization of Licensed Products in the Field throughout the world;

(7) establish reasonable guidelines for the participation of each Party's representatives at scientific and medical

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conferences in the other Party's territory, as set forth in Section 7.6.2;

(8) reviewing proposed Commercialization activities for Licensed Products for the Licensee Territory that will have a material impact on Commercialization of Licensed Products in the Mersana Territory;

(9) reviewing proposed Commercialization activities for Licensed Products for the Mersana Territory that will have a material impact on Commercialization of Licensed Products in the Licensee Territory;

(10) facilitating the exchange of information between the Parties under this Agreement regarding the strategy for implementing the Commercialization activities;

(11) subject to Applicable Law, discussing each Party's pricing strategy for Licensed Products in its territory, provided that each Party shall set the pricing of Licensed Products in its territory in its sole discretion; and

(12) such other responsibilities as may be assigned to the Joint Commercialization Committee pursuant to this Agreement or as may be mutually agreed upon by the Parties from time to time.

3.3.3 Joint Manufacturing Committee.

(a) Formation and Composition. On the Effective Date, the Parties shall establish the Joint Manufacturing Committee composed of [***] appointed [***] of each of Licensee and Mersana. A Party may change [***] on the Joint Manufacturing Committee at any time or elect to have its member represented by a delegate at a meeting of the Joint Manufacturing Committee, subject to the confidentiality provisions of Article 10. [***]. The chairperson shall not have any greater authority than the other representative on the Joint Manufacturing Committee and shall be responsible for the following activities of the Joint Manufacturing Committee: (i) calling meetings of the Joint Manufacturing Committee, (ii) preparing and issuing minutes of each such meeting within [***] days thereafter, which minutes shall not be finalized until each Party reviews and confirms the accuracy of such minutes in writing (provided that any minutes shall be deemed approved unless a Party's representative to the committee objects to the accuracy of such minutes within [***] days of the circulation of the minutes by the committee), and (iii) preparing and circulating an agenda for the upcoming meeting; provided, that the chairperson shall include any agenda items proposed by the Party of which the chairperson is not a representative. The Parties may allow additional employees or consultants to attend meetings of the Joint Manufacturing Committee subject to the confidentiality provisions of Article 10. Joint Manufacturing Committee members shall have sufficient expertise and sufficient seniority with respect to the applicable Party to make decisions

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within the scope of the Joint Manufacturing Committee's authority, including with respect to clinical, regulatory and business matters relating to manufacture.

(b) Functions and Authority. The Joint Manufacturing Committee shall have responsibility for the following:

(1) facilitating the exchange of information between the Parties, and coordinating resolution of issues relevant to the Manufacturing and supply of Licensed Products during the Term;

(2) agreeing upon and documenting an overall Licensed Products Manufacturing strategy to ensure reliable and timely supply for Development and Commercialization by each Party hereunder;

(3) planning and coordinating Licensed Products Manufacturing activities and supply, including process development, technology transfer, audits, inspections, manufacturing scale-up and material decisions under CMO agreements;

(4) developing and recommending for review and approval by the Joint Steering Committee, as applicable and subject to Article 6, the Global Manufacturing Plan, and any amendments or revisions thereto, and developing and approving, as applicable and subject to Article 6, the Technical Transfer Plan, the XMT-1519 Technical Transfer Plan, and any amendments or revisions thereto;

(5) selecting which Party shall be responsible for fill and finish of Licensed Products in the First Supply Chain;

(6) planning and coordinating the establishment of the First Supply Chain and Second Supply Chain by the Parties in accordance with the Global Manufacturing Plan;

(7) reviewing, commenting on, and recommending for review and approval by the Joint Steering Committee, as applicable, any amendments or revisions to the Global Development Plan that relate to Manufacturing or supply of Licensed Products including manufacturing scale-up;

(8) reviewing, commenting on and approving major changes regarding the supply chain(s) for Licensed Product(s), including selection of CMOs that would perform Licensed Product or Component Manufacturing in accordance with Good Manufacturing Practices (each such CMO so

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approved by the Joint Manufacturing Committee, an "**Approved CMO**") and changes to facility locations;

(9) reviewing, commenting on and approving changes to the Manufacturing process for each Licensed Product and Component (including changes relating to the drug product and to the conjugation step); and

(10) such other responsibilities as may be assigned to the Joint Manufacturing Committee pursuant to this Agreement or otherwise mutually agreed upon by the Parties in writing from time to time.

3.4 **Meetings**. During the Term of the Agreement, following their establishment, each Joint Committee will meet in person or by teleconference or videoconference at least [***]. Each Joint Committee may meet either (a) in person at either Party's facilities or at such locations as the Parties may otherwise agree or (b) by audio or video teleconference; provided, that no less than [***] meeting of each Joint Committee during each [***] shall be conducted in person. Each Joint Committee also may each choose to meet more frequently on an as needed basis. Each Party shall be responsible for all of its own expenses incurred in connection with participating in the Joint Committee meetings.

3.5 **Decisions**.

3.5.1 **Quorum**. For each Joint Committee, a quorum is required for any meeting of such Joint Committee, which quorum will exist if at least [***] of each Party is present. If a quorum exists, then [***] consent of all attending members of such Joint Committee is required in order for any decision to be approved or action taken on behalf of such Joint Committee.

3.5.2 **Referral to the Joint Steering Committee**. In the event that any Joint Committee cannot agree on a matter that is subject to its decision-making authority for a period in excess of [***] days, the matter shall be referred to the Joint Steering Committee.

3.5.3 **Escalation**. If the Joint Steering Committee fails to reach unanimous agreement on a matter within its jurisdiction for a period in excess of [***] days, the matter shall be resolved in accordance with the procedures set forth in Section 20.3.

3.6 **Duration**. Each Joint Committee shall remain constituted until the Parties mutually agree.

ARTICLE 4 - DEVELOPMENT

4.1 **Early Development by Mersana**.

4.1.1 **Generally.** The initial Global Development Plan as of the Effective Date includes plans for Mersana to conduct (or have conducted on its behalf by an Affiliate or Third Party) preclinical studies including a repeat Good Laboratory Practice toxicity study for a Licensed Product and certain Phase I Clinical Trials for a Licensed Product described in the

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Global Development Plan (such Clinical Trials, the "**Mersana Phase I Clinical Trials**") (such studies and Clinical Trials, collectively, the "**Mersana Early Development**"). Mersana, its Affiliates, or Third Parties acting on their behalf, shall be responsible for conducting the Mersana Early Development. Mersana may make any change to the Mersana Early Development through an amendment to the Global Development Plan in accordance with Section 4.7.1, including adding additional Clinical Trials to conduct further Development prior to Initiation of the [***] Clinical Trial and any change to the study design. Such changes shall be in the [***], except that any additional Clinical Trials shall be subject to the materially adverse standard set forth in Section 4.7.1, and prior to making any material change to the study design, including the study protocol, for the Mersana Phase I Clinical Trials in the Global Development Plan, Mersana shall, through the Joint Development Committee, consult with Licensee and reasonably consider, in good faith, any input from Licensee. For clarity, [***] with respect to the implementation of Mersana Early Development. In no event shall [***].

4.1.2 **Additional Provisions.**

(a) Mersana shall keep the Joint Development Committee informed in a timely manner as to the progress of the Mersana Early Development and shall provide copies of material Regulatory Documentation relating thereto to the Joint Development Committee, and such Regulatory Documentation shall be deemed Mersana's Confidential Information for the purposes of Article 10.

(b) Through the Joint Development Committee, Licensee, shall have the opportunity to review and comment on (i) protocols of all preclinical studies and Phase I Clinical Trials that are Mersana Early Development under the Global Development Plan and (ii) the first IND for a Licensed Product in the United States, which comments Mersana shall reasonably consider in good faith. For clarity, other INDs are covered under Section 5.1.

(c) In the event that there is a disagreement between the Parties with respect to any of the activities in Section 4.1.2(b) which is not resolved upon escalation to the Joint Steering Committee, then the escalation provisions of Section 3.5.3 shall not apply (except in the case of a dispute regarding material adverse effect in the case of additional Clinical Trials). In such event, within [***] days following the Joint Steering Committee's failure to reach consensus, [***] of Mersana and the [***] of Licensee shall meet at a mutually agreed upon time and location for the purpose of resolving such disagreement. In the event that such disagreement is not resolved after such meeting, then Mersana shall have final decisions-making authority with regard to such disagreement.

4.2 **Early Development by Licensee**. Licensee shall have the right, but not the obligation, to conduct (or have conducted on its behalf by an Affiliate or Third Party) one or more Phase I Clinical Trials in the Licensee Territory (such Clinical Trials, the "**Licensee Phase I Clinical Trials**") for the purpose of obtaining Regulatory Approval of one or more Licensed Products in the Field in one or more countries in the Licensee Territory as set forth in the Global Development Plan (such studies and Clinical Trials, collectively, the "**Licensee Early Development**"). Any additional Licensee Early Development will be subject to Section 4.7.1. The Global Development Plan will include the study design for any Licensee Early Development. Licensee, its Affiliates, or Third Parties acting on their behalf, shall be responsible

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for conducting the Licensee Phase I Clinical Trials. Mersana, through the Joint Development Committee, shall have the right to review and approve study designs and clinical protocols for all Licensee Early Development, such approvals not to be unreasonably withheld, delayed or conditioned. For clarity, Licensee shall have sole authority with respect to the implementation of Licensee Early Development. In no event shall Mersana be responsible hereunder [***]. Licensee shall keep the Joint Development Committee informed in a timely manner as to the progress of the Licensee Early Development and shall provide copies of material Regulatory Documentation relating thereto to the Joint Development Committee, and such Regulatory Documentation shall be deemed Licensee's Confidential Information for the purposes of Article 10.

4.3 **Joint Development and the Global Development Plan**. The initial Global Development Plan (attached hereto as Schedule 1.1.82) for the Development of Licensed Products throughout the world for the purpose of obtaining or maintaining Regulatory Approval of Licensed Products in the Field throughout the world shall be effective as of the Effective Date, and the Global Development Plan (as may be amended pursuant to this Agreement) shall remain in effect for so long as the Parties conduct Development under this Agreement. The Global Development Plan shall set forth (a) Mersana's responsibilities for conducting Development of Licensed Products (including by separately setting forth (i) the Mersana Early Development per Section 4.1 and (ii) any Independent Development of Mersana), (b) Licensee's responsibilities for conducting Development of Licensed Products (other than those that are assigned to Mersana pursuant to clause (a)) (including by separately setting forth (i) any Licensee Early Development and (ii) any Independent Development), (c) a plan for the Parties to conduct any other Clinical Trials, and, prior to the commencement of activities with regard to of each such Clinical Trial, the delegation of responsibilities for such Clinical Trial between the Parties, except that [***], and (d) any joint Development activities to be undertaken by the Parties including preclinical *in vivo*, *in vitro*, pharmacokinetic, and pharmacodynamic research that may be necessary or useful for gaining Regulatory Approval throughout the world in the Field. The Global Development Plan shall specify, for each Development activity to be conducted thereunder, the Party (or Parties) responsible for paying for such Development activity, by setting forth whether such Development activity is a Mersana Early Development activity (under Section 4.6.1), a Licensee Early Development activity (under Section 4.6.2), a Mersana Territory exclusive Development activity (under Section 4.6.3), a Licensee Territory exclusive Development activity (under Section 4.6.4), a joint Development activity (under Section 4.6.5) or other Independent Development (under Section 4.7.3), and, if applicable, shall specify the date on which [***]. In addition, the Global Development Plan shall include a plan, strategy, and each Party's responsibilities with respect to the Development of any Companion Diagnostic for any Licensed Product. For clarity, the lead Party with respect to a Clinical Trial as set forth under the Global Development Plan shall be responsible for the applicable clinical trial application(s) for such Clinical Trial and contracting with the applicable Clinical Trial site(s), investigator(s) and any contract research organization(s) for such Clinical Trial. Neither Party shall conduct or permit any of its Affiliates, licensees or Sublicensees to conduct any Development activities with respect to any Licensed Product other than those activities that are set forth in or reasonably necessary to effect those activities set forth in the Global Development Plan other than investigator-initiated Clinical Trials (which shall not be included in the Global Development Plan) that have been reviewed and as to which the other Party does not have an outstanding unresolved objection regarding whether the study would have a material adverse effect in its

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territory under Section 3.3.1(b)(9). Either Party and its Affiliates, licensees or Sublicensees may conduct Development activities with respect to a Licensed Product anywhere in the world, following inclusion of such Development activities in the Global Development Plan or in the case of investigator-initiated Clinical Trials, such review process and resolution of any objections.

4.4 **Development Diligence**.

4.4.1 Each Party shall use Commercially Reasonable Efforts to:

(a) conduct activities allocated to such Party for the Development of Licensed Products in the Field throughout the world and any joint Development activities undertaken by the Parties, if any, in each case, pursuant to the Global Development Plan; and

(b) in the case of Mersana, to obtain and maintain Regulatory Approval for a Licensed Product in the United States and in the case of Licensee, to obtain and maintain Regulatory Approval for a Licensed Product from the European Commission and the Ministry of Health, Labour and Welfare in Japan and to obtain Pricing Approval for a Licensed Product in each Major Market Country in the Licensee Territory.

4.4.2 During the Term, Mersana shall:

(a) use commercially reasonable efforts, [***], to Develop Licensed Products consistent with its obligations set forth in Section 4.3 of the [***]

(b) use Commercially Reasonable Efforts (for clarity, as defined under this Agreement) to conduct such Development as is necessary to prevent the occurrence of any obligation to grant any license or assignment as provided under Section 4.3(c)(iii) of the [***] that relates in any way to Licensed Products.

4.5 **Development Reports**. In addition to information and reports required elsewhere in this Agreement, each Party shall provide the Joint Development Committee with written reports on its Development activities in a format and as often as determined by the Joint Development Committee.

4.6 **Development Costs**.

4.6.1 **Mersana Early Development Activities**. Mersana shall be responsible for one hundred percent (100%) of all Development Costs ([***]; provided that, if activities are undertaken by [***], all costs in connection therewith [***]) set forth in the Global Development Plan with respect to any Mersana Early Development.

4.6.2 **Licensee Early Development Activities**. Licensee shall be responsible for one hundred percent (100%) of all Development Costs ([***]; provided that, if activities are undertaken by [***], all costs in connection therewith [***]) set forth in the Global Development Plan with respect to any Licensee Early Development.

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4.6.3 **Mersana Territory Exclusive Development Activities**. Mersana shall be responsible for one hundred percent (100%) of all Post-Phase I Development Costs ([***] provided that, if activities are undertaken by [***]) set forth in the Global Development Plan with respect to, and to the extent that, any Development activities that are conducted solely for the purpose of obtaining or maintaining Regulatory Approval or Pricing Approval for one or more Licensed Products in the Field in either country in the Mersana Territory, subject to Section 4.7.

4.6.4 **Licensee Territory Exclusive Development Activities**. Licensee shall be responsible for one hundred percent (100%) of all Post-Phase I Development Costs ([***] provided that, if activities are undertaken by [***]) set forth in the Global Development Plan with respect to, and to the extent that, any Development activities that are conducted solely for the purpose of obtaining or maintaining Regulatory Approval or Pricing Approval for one or more Licensed Products in the Field in any country or other regulatory jurisdiction in the Licensee Territory, subject to Section 4.7.

4.6.5 **Joint Development Activities**. Except for Development activities for which a Party [***] bears the Post-Phase I Development Costs pursuant to Sections 4.6.3 or 4.6.4, with respect to Post-Phase I Development Costs related to Development activities conducted for the purpose of obtaining or maintaining Regulatory Approval for one or more Licensed Products in the Field in the Mersana Territory and at least one Major Market in the Licensee Territory pursuant to the Global Development Plan (collectively, the "**Shared Post-Phase I Development Costs**"), Licensee and Mersana shall each pay fifty percent (50%) of such Shared Post-Phase I Development Costs ([***], subject to Section 4.7.

4.7 **Independent Development**.

4.7.1 **Right to Reject Development**. Neither Party shall conduct or permit any of its Affiliates, licensees or Sublicensees to conduct any Development of a Licensed Product that is not set forth in the Global Development Plan. If one Party proposes to amend the Global Development Plan to provide for the conduct of specific Development activities for which such Party would pay [***] percent [***] of the Development Costs under Section 4.6.1, 4.6.2, 4.6.3 or 4.6.4, then to the extent otherwise permitted under this Agreement such proposed Development activities shall be submitted to the Joint Development Committee for inclusion in the Global Development Plan reasonably in advance of the next meeting of the Joint Development Committee and such proposed Development activities shall be included in the Global Development Plan and such Party or its Affiliates, licensees or Sublicensees may conduct such proposed Development, except where the other Party believes in good faith and asserts through the Joint Development Committee at the meeting at which the proposal is considered to be included in the Global Development Plan that such proposed Development is likely to materially adversely affect the Development or Commercialization of Licensed Products (including by giving rise to a Material Safety Issue) (A) in the case of Mersana, the Mersana Territory and (B) in the case of Licensee, the Licensee Territory. Disputes regarding alleged material adverse effects shall be escalated from the [***] and if not resolved be escalated further under Section 20.3. Any amendment proposed to the Joint Development Committee by either Party to the Global Development Plan under this Section 4.7.1 shall contain reasonably sufficient detail to enable the other Party to assess whether such proposed Development is likely to

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materially adversely affect Development or Commercialization of Licensed Products in accordance with this Section 4.7.1 and whether to elect to co-fund such proposed Development in accordance with Section 4.7.2.

4.7.2 **Right to Participate in Territory Exclusive Development Activities**. If one Party proposes to the Joint Development Committee to amend the Global Development Plan to provide for the conduct of specific Development for which such Party would pay [***] percent [***] of the Development Costs under Section 4.6.3 or 4.6.4 (such proposed activities, "**Proposed Independent Development**"), the other Party shall have the right to elect, through the Joint Development Committee, to co-fund such Proposed Independent Development prior to incurring Development Costs in connection with such Proposed Independent Development by the proposing Party or its Affiliates, licensees or Sublicensees. Upon such election, such Proposed Independent Development activity shall be added to the Global Development Plan as joint Development under Section 4.6.5 and all Post-Phase I Development Costs incurred in connection with such Proposed Independent Development shall be considered Shared Post-Phase I Development Costs under Section 4.6.5. For clarity, to the extent permitted under Section 2.5, [***] in accordance with this Section 4.7.2.

4.7.3 **Right to Opt Out of Joint Development**. If one Party (the "**Requesting Party**") proposes to the Joint Development Committee reasonably in advance of the next meeting of the Joint Development Committee to amend the Global Development Plan to provide for the conduct of a specific Clinical Trial, Develop a specific Companion Diagnostic or conduct any other Development for a Licensed Product, in each case, for which the Parties would share the Development Costs under Section 4.6.5 (such proposed activities, "**Proposed Joint Development**"), and the other Party gives notice through the Joint Development Committee, which notice shall be expressly reflected in the minutes of the meeting of the Joint Development Committee, that such other Party does not wish to participate in such Proposed Joint Development, then such Proposed Joint Development shall be included in the Global Development Plan and the Requesting Party or its Affiliates, licensees or Sublicensees may conduct such Proposed Joint Development independently and the Requesting Party shall pay for [***] percent [***] of the Development Costs of such Proposed Joint Development, except where the non-participating Party believes in good faith and asserts through the Joint Development Committee at the meeting at which the proposal is considered to be included in the Global Development Plan that such Proposed Joint Development is likely to materially adversely affect the Development or Commercialization of Licensed Products (including by giving rise to a Material Safety Issue) (A) in the case of Mersana, the Mersana Territory and (B) in the case of Licensee, the Licensee Territory. Disputes regarding alleged material adverse effects shall be escalated to the Joint Steering Committee and if not resolved be escalated further under Section 20.3. Any amendment proposed to Joint Development Committee by either Party to the Global Development Plan under this Section 4.7.3 shall contain reasonably sufficient detail to enable the other Party to assess whether such Proposed Joint Development is likely to materially adversely affect Development or Commercialization of Licensed Products in accordance with this Section 4.7.3 and whether to elect to participate in Proposed Joint Development in accordance with this Section 4.7.3.

4.7.4 **Right to Opt In to Independent Development**. In the event a Party or any of its Affiliates, licensees or Sublicensees (i) independently conducts Proposed Joint

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Development in accordance with Section 4.7.3 or (ii) conducts Development at its sole cost under Section 4.6.3 or Section 4.6.4 that the other Party did not elect to co-fund pursuant to Section 4.7.2 (such Development ((i) or (ii)), "**Independent Development**") (such Party, the "**Paying Party**"), the other Party (the "**Non-Paying Party**") (and its Affiliates, licensees and Sublicensees) [***]; provided that the Paying Party shall permit the Non-Paying Party [***]. If the Non-Paying Party or any of its Affiliates, licensees or Sublicensees subsequently (either during the conduct or following completion of such Independent Development) wishes to [***], subject to the following: [***] shall (i) provide written notice thereof to the Paying Party (the "**Development Opt-In Notice**"), (ii) and following [***] (the "**Development Opt-In Payment**"), and (iii) thereafter, all [***] Development Costs incurred in connection with such Independent Development shall be considered [***] in connection with conducting such Independent Development in accordance with Section 4.6.5. At any time prior to delivery of a Development Opt-In Notice for Independent Development, upon the request of the Non-Paying Party, the Paying Party shall provide the amount of then-current Development Opt-In Payment for such Independent Development along with reasonably supporting documentation. For clarity, to the extent permitted under Section 2.5, [***].

4.8 **Development Costs Budget and Reconciliation**.

4.8.1 **Budget Overruns**. With respect to any Shared [***] Development Costs, each Party shall promptly inform the other Party upon determining that it is likely to exceed the budget amounts set forth in the budget of the Global Development Plan for an activity assigned to it under the Global Development Plan. To the extent that a Party (or its Affiliates, licensees or Sublicensees) incurs Shared [***] Development Costs for such activity for a particular Calendar Year which, in the aggregate, exceed the Shared [***] Development Costs allocated for such activity in such Calendar Year in the budget of the Global Development Plan by [***] percent [***] or less (a "**De Minimis Overage Amount**"), then such De Minimis Overage Amount shall automatically be included in the budget of the Global Development Plan for such Calendar Year. However, to the extent that a Party (or its Affiliates, licensees or Sublicensees) incurs Shared [***] Development Costs for such activity for a particular Calendar Year which, in the aggregate, exceed the Shared [***] Development Costs allocated for such activity in such Calendar Year in the budget of the Global Development Plan by more than [***] percent [***] (such excess over [***] percent [***], the "**Excess Overage Amount**"), the Party that has so exceeded its budget shall provide to the Joint Development Committee a full explanation therefor and such Excess Overage Amount shall only be included in the budget of the Global Development Plan to the extent that the other Party agrees. By way of example, if a Party incurs Shared [***] Development Costs for an activity which are in excess of the budget of the Global Development Plan by [***] percent [***], then the first [***] percent [***] thereof will automatically be included in the applicable budget as a De Minimis Overage Amount and the remaining [***] percent [***] will constitute an Excess Overage Amount and shall only be included in the applicable budget to the extent agreed to by the other Party as set forth in this Section 4.8. To the extent that the other Party does not agree to treat the Excess Overage Amount as Shared [***] Development Costs, the Party that has exceeded its budget shall be solely responsible for the Excess Overage Amount.

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4.8.2 **Development Cost Reconciliation**. Commencing with the first [***] in which Shared [***] Development Costs are incurred, (a) within [***] Business Days following the end of each [***], each Party shall prepare and deliver to the other Party a report detailing the Shared [***] Development Costs and other Development Costs subject to reimbursement under this Section 4.8 incurred by such Party and its Affiliates, licensees or Sublicensees during such [***] in accordance with the terms and conditions hereof and in accordance with applicable Accounting Standards that were actually incurred for the [***] and an estimate of such costs incurred during the [***], and (b) within [***] days following the end of each such [***], each Party shall prepare and deliver to the other Party a report detailing such costs that were actually incurred for the [***] (each, a "**Development Cost Reconciliation Report**"). Each Party shall submit any additional information reasonably requested by the other Party related to the Development Costs included in its Development Cost Reconciliation Reports within [***] days of its receipt of such request. Within [***] days after the receipt of the second Development Cost Reconciliation Report for each [***] delivered by Licensee pursuant to this Section 4.8.2, Mersana shall prepare and deliver to Licensee a composite report that (i) summarizes the relevant Development Costs incurred by each Party and its Affiliates, licensees or Sublicensees for such [***], and (ii) computes the amount due to Mersana or Licensee, as applicable, for such [***] in order for the Parties to share the applicable Development Costs for such [***] based on the Global Development Plan and the principles set forth in Section 4.6 (each payment for such amount due, a "**Development Cost Reconciliation Payment**"). The Party to which a Development Cost Reconciliation Payment is due shall issue an invoice to the other Party for the Development Cost Reconciliation Payment, and such other Party shall pay the Development Cost Reconciliation Payment within [***] days after its receipt of the invoice. Each Party shall have the right to audit the records of the other Party with respect to any purported Shared [***] Development Costs included in such reports, in accordance with Section 9.2.

4.9 **Technology Disclosure**.

4.9.1 Within [***] days after Initiation of the first [***] Clinical Trial, each Party at its own cost and expense shall make available to the other Party, in a format reasonably acceptable to both Parties, Know-How included in the Mersana Technology or Licensee Technology, as applicable, that is necessary or useful for Development of Licensed Products in the Field worldwide, and for Commercialization of Licensed Products in the Field in the territory of the other Party. Through the meetings of the Joint Committees, each Party shall update the other Party on any Know-How that becomes included in the Mersana Technology or Licensee Technology, as applicable and as is necessary or useful for Development of Licensed Products in the Field worldwide, and for Commercialization of Licensed Products in the Field in the territory of the other Party. Following such updates, upon request from a Party, the other Party shall make such Know-How available to the requesting Party, in a format reasonably acceptable to both Parties, within [***] days of such request.

4.9.2 Upon a Party's request reasonably in advance, the other Party shall make its relevant scientific and technical personnel available to the requesting Party at such other Party's offices, at reasonable times during such other Party's normal business hours, to answer any questions or provide instruction as reasonably requested by the requesting Party concerning the Know-How delivered pursuant to this Section 4.9.

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4.9.3 Notwithstanding anything in this Section 4.9 to the contrary, each Party shall transfer to the other Party Know-How related to Manufacturing only (a) to the extent set forth in Section 2.5, Section 5.3 or Article 6, (b) pursuant to the terms of the Mersana Supply Agreement, First Supply Chain Supply Agreements or Mutual Secondary Supply Agreements, or (c) as separately agreed to by the transferring Party.

ARTICLE 5 - REGULATORY MATTERS

5.1 INDs.

5.1.1 Each Party shall have the right to file INDs and make other filings with the Regulatory Authorities anywhere in the world in connection with the performance with its Development activities hereunder and to conduct correspondence and communication with Regulatory Authorities as they relate to such IND, including (to the extent consistent with Section 5.6 and the Pharmacovigilance Agreement, which shall govern with respect to required safety reports to Regulatory Authorities) to report adverse events to the applicable Regulatory Authorities if and to the extent required by such INDs. Each Party will allow the other Party a reasonable opportunity to review and comment on all INDs and other filings in the United States, Canada, China, Russia and the Major Market Countries in connection with the performance of Development activities hereunder in advance of submission of any such IND or filing by such Party or any of its Affiliates, licensees or Sublicensees, and such Party will, and will cause its Affiliates, licensees or Sublicensees to, reasonably consider all comments timely provided by such other Party in connection therewith.

5.1.2 To the extent permitted by the applicable Regulatory Authority, in connection with any IND or other filings in the United States, Canada, China, Russia and the Major Market Countries in connection with the performance of Development activities hereunder, each Party shall provide prior written notice reasonably in advance of, and the other Party shall have the right to have a designee participate in, meetings with such Regulatory Authorities being conducted by or on behalf of such Party or its Affiliates, licensees or Sublicensees, and the other Party shall have the right to participate in internal meetings or discussions of such Party or its Affiliates, licensees or Sublicensees (or the applicable portions thereof) occurring before or after, and related to, such meetings, and shall be provided with advance access to such Party's materials prepared for such meetings.

5.1.3 Each Party, in connection with any IND or other filings in the United States, Canada, China, Russia and the Major Market Countries in connection with the performance of Development activities hereunder, shall also have the right to review and comment upon any material correspondence between the other Party or its Affiliates, licensees or Sublicensees and the Regulatory Authorities or their agents.

5.1.4 Each Party, in connection with any IND or other filings in the United States, Canada, China, Russia and the Major Market Countries in connection with the performance of Development activities hereunder, shall provide the other Party regularly prepared minutes of material meetings with any Regulatory Authority regarding Licensed Products in the Field conducted by or on behalf of such Party or its Affiliates, licensees or Sublicensees, and available material teleconference reports with any Regulatory Authority

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regarding Licensed Products in the Field conducted by or on behalf of such Party or its Affiliates, licensees or Sublicensees.

5.1.5 All materials provided under this Section 5.1 shall be deemed Confidential Information of the providing Party.

5.1.6 To the extent that any filing made in connection with the performance of Development activities hereunder is an application for Regulatory Approval or Pricing Approval, this Section 5.1 shall not apply to such filing and Section 5.2 shall control with respect such filing. To the extent that any IND or other filing made in connection with the performance of Development activities hereunder is a required safety report to a Regulatory Authority, this Section 5.1 shall not apply to such filing and Section 5.6 shall control with respect such filing.

5.2 Regulatory Approvals.

5.2.1 As between the Parties, Mersana shall be solely responsible for, and shall solely own, all applications for Regulatory Approval and Pricing Approval with respect to Licensed Products in the Mersana Territory and Licensee shall be solely responsible for, and shall solely own, all applications for Regulatory Approval and Pricing Approval with respect to Licensed Products in the Licensee Territory (to the extent consistent with Section 5.6 and the Pharmacovigilance Agreement, which shall govern with respect to required safety reports to Regulatory Authorities). Each Party will allow the other Party a reasonable opportunity to review and comment on all applications for Regulatory Approval (and not applications for Pricing Approvals) in the United States, Canada, China, Russia and the Major Market Countries with respect to a Licensed Product in advance of submission of any such application for Regulatory Approval by such Party or any of its Affiliates, licensees or Sublicensees, and such Party will, and will cause its Affiliates, licensees or Sublicensees to, reasonably consider all comments timely provided by such other Party in connection therewith.

5.2.2 To the extent permitted by the applicable Regulatory Authority, in connection with applications for Regulatory Approval (and not applications for Pricing Approval) in the United States, Canada, China, Russia and the Major Market Countries, each Party shall provide prior written notice

reasonably in advance of, and the other Party shall have the right to have a designee participate in, meetings with such Regulatory Authorities being conducted by or on behalf of such Party or its Affiliates, licensees or Sublicensees, and the other Party shall have the right to participate in internal meetings or discussions of such Party or its Affiliates, licensees or Sublicensees (or the applicable portions thereof) occurring before or after, and related to, such meetings, and shall be provided with advance access to such Party's materials prepared for such meetings.

5.2.3 Each Party, in connection with applications for Regulatory Approval (and not applications for Pricing Approval) in the United States, Canada, China, Russia and the Major Market Countries, shall also have the right to review and comment upon any material correspondence between the other Party or its Affiliates, licensees or Sublicensees and the Regulatory Authorities or their agents.

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5.2.4 Each Party, in connection with applications for Regulatory Approval (and not applications for Pricing Approval) in the United States, Canada, China, Russia and the Major Market Countries, shall provide the other Party regularly prepared minutes of material meetings with any Regulatory Authority regarding Licensed Products in the Field conducted by or on behalf of such Party or its Affiliates, licensees or Sublicensees, and available material teleconference reports with any Regulatory Authority regarding Licensed Products in the Field conducted by or on behalf of such Party or its Affiliates, licensees or Sublicensees.

5.2.5 All materials provided under this Section 5.2 shall be deemed Confidential Information of the providing Party.

5.2.6 To the extent that any application for Regulatory Approval and Pricing Approval is a required safety report to a Regulatory Authority, this Section 5.2 shall not apply to such filing and Section 5.6 shall control with respect such filing.

5.3 **Drug Master Files**. If either Party or its Affiliates, licensees or Sublicensees has, during the Term, a Drug Master File with the FDA or equivalent that contains information necessary or useful to support or maintain an IND or application for Regulatory Approval or Pricing Approval (including as relating to any Licensee Technology arising after the Effective Date, in the case of Licensee, or Mersana Technology arising after the Effective Date, in the case of Mersana): such Party (x) shall notify the other Party of such Drug Master File and any subsequent amendments or changes made to such Drug Master File; (y) keep, or cause its Affiliate, licensee or Sublicensee, as applicable, to keep, each such Drug Master File properly maintained and up-to-date; and (z) in accordance with Section 2.5, shall have, and shall have the further right to grant Affiliates and Third Parties, the rights set forth in Section 2.5.

5.4 **Cooperation Between the Parties**. Should a Party or its Affiliates, licensees or Sublicensees (the "**Filing Party**") desire to file an IND or an application for Regulatory Approval or Pricing Approval, or equivalents of the foregoing, in each case for one or more Licensed Products pursuant to Section 5.1 or Section 5.2, the other Party (the "**Non-Filing Party**") will provide, at the Filing Party's request, subject to Section 2.5 (a) Mersana Regulatory Documentation (if the Non-Filing Party is Mersana) or Licensee Regulatory Documentation (if the Non-Filing Party is Licensee), to the extent it is able to do so without violating the terms of an agreement with a Third Party (and the Non-Filing Party shall be obligated to use good faith efforts to obtain consent from an applicable Third Party to do so) (including, for clarity, as necessary or useful to compile the Chemistry, Manufacturing and Controls section of an IND submission or an application for Regulatory Approval with respect to one or more Licensed Products, and including, for clarity, any Drug Master File to the extent set forth under Section 2.5 and Section 5.3) and which may be redacted to remove information as to which the other Party does not have rights hereunder (including information obtained through Independent Development to which the Filing Party has not opted in under Section 4.7.4), and (b) other technical information or other relevant information that the Non-Filing Party Controls and is within the scope of the license to the Filing Party hereunder (for clarity, in each case ((a) or (b)) excluding information obtained through Independent Development to which the Filing Party has not opted in under Section 4.7.4) solely for use in connection with any such INDs with regard to one or more Licensed Products or other application for Regulatory Approval or Pricing Approval or the maintenance thereof or as otherwise licensed hereunder. Without limitation of any other

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obligations hereunder, the Non-Filing Party shall provide reasonable assistance to the Filing Party, including in the event that the Non-Filing Party has led a study relevant to applicable filing or meeting with a Regulatory Authority (such reasonable assistance shall include, e.g., sending to such meeting a representative of the Non-Filing Party who has sufficient seniority, experience, and familiarity with the applicable study to participate in such meeting), as is reasonably requested by the Filing Party.

5.5 **Cooperation with Governmental Authorities**.

5.5.1 During the Term, upon request by Licensee, subject to Section 2.5, Mersana shall provide the Regulatory Authorities and other applicable Governmental Authorities in the Licensee Territory full access to all Mersana Regulatory Documentation (excluding any data or intellectual property deriving from Independent Development of Mersana, except as provided in Section 4.7.4, or any data or intellectual property otherwise excluded from the rights granted to Licensee hereunder) and all Mersana Platform Know-How, Mersana Product Know-How and Mersana Other Know-How, in each case, to the extent necessary for the Regulatory Authorities and other applicable Governmental Authorities in the Licensee Territory to consider and approve Licensee, its Affiliates or Sublicensees or a Third Party as a manufacturer of Licensed Products, or to consider and act upon any filings with such Governmental Authorities with respect to Licensed Products, including for Regulatory Approvals or Pricing Approvals of Licensed Products.

5.5.2 During the Term, upon request by Mersana, subject to Section 2.5, Licensee shall provide the Regulatory Authorities and other applicable Governmental Authorities in the Mersana Territory full access to all Licensee Regulatory Documentation (excluding any data or intellectual property deriving from Independent Development of Licensee, except as provided in Section 4.7.4, or any data or intellectual property otherwise excluded from the rights

granted to Mersana hereunder) and Licensee Product Know-How and Licensee Other Know-How, in each case, to the extent necessary for the Regulatory Authorities and other applicable Governmental Authorities in the Mersana Territory to consider and approve Mersana, its Affiliates, licensees or Sublicensees or a Third Party as a manufacturer of Licensed Products, or to consider and act upon any filings with such Governmental Authorities with respect to Licensed Products, including for Regulatory Approvals of Licensed Products.

5.6 **Pharmacovigilance Agreement**. Prior to execution of the Pharmacovigilance Agreement, in no case shall the exchange of adverse events occur later than [***] days for fatal or life threatening adverse events, [***] days for other related serious adverse events, and [***] days for non-serious adverse events. No later than [***] days after [***], the pharmacovigilance departments of each of Mersana and Licensee shall jointly determine the approach to be taken for the collection, review, assessment, tracking, exchange and filing of information related to adverse events associated with Licensed Products. Each Party shall be responsible for maintaining the study-specific safety databases for its respective Clinical Trials. The Mersana Phase 1 Clinical Trials will not be disrupted or delayed due to any activities undertaken pursuant to this Section 5.6. Such approach shall be documented in a separate and appropriate written pharmacovigilance agreement and a safety data exchange agreement between the Parties which shall control with respect to the subject matter covered therein (collectively, the "**Pharmacovigilance Agreement**"). The Pharmacovigilance Agreement shall be in accordance

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with, and enable the Parties and their Affiliates to fulfill, local and international regulatory reporting obligations to Regulatory Authorities and other Applicable Law. The Parties shall complete and execute the Pharmacovigilance Agreement no later than [***] days prior to the anticipated date of Licensee's [***]. [***] shall establish, hold and maintain ([***]) the global safety database for Licensed Products, until the global safety database [***]. No later than [***] days prior to the anticipated date of Licensee's [***], the Parties shall transfer the global safety database for Licensed Product [***] and [***] shall hold and maintain ([***]) the global safety database for Licensed Products thereafter. Prior to and at the time of such transfer of control, [***] hereby represents and warrants to [***] that the global safety database contains the complete set of information known to [***] and required to be collected by Applicable Law or the Pharmacovigilance Agreement. Each Party shall provide the other Party with all information reasonably necessary for the other Party to comply with its pharmacovigilance responsibilities worldwide pursuant to the Pharmacovigilance Agreement, including, as applicable, any adverse drug experiences (including those events or experiences that are required to be reported to the FDA under 21 C.F.R. sections 312.32 or 314.80 or to Regulatory Authorities outside the United States under corresponding Applicable Law outside the United States), from pre-clinical or clinical laboratory, animal toxicology and pharmacology studies, clinical studies and commercial experiences with one or more Licensed Products, in each case in the form reasonably requested by Licensee.

ARTICLE 6 - MANUFACTURING

6.1 **Generally**. Under the oversight and coordination of the Joint Manufacturing Committee, the Parties shall collaborate to establish a Manufacturing process and two (2) supply chains for Licensed Products as described in this Article 6 for both Parties' Development and Commercial needs hereunder. The Joint Manufacturing Committee shall prepare within [***] days following the Effective Date and periodically update a written global manufacturing plan (the "**Global Manufacturing Plan**") which shall be subject to approval by the Joint Steering Committee and shall be part of the Global Development Plan. The Global Manufacturing Plan shall set forth the activities to be conducted by each Party with respect to the establishment of the clinical and commercial Manufacturing process and supply chains for Licensed Products (consistent with this Article 6) and shall contain budgets for any shared costs and associated timelines for such activities. The Global Manufacturing Plan shall contain the activities necessary for the establishment of one (1) supply chain (the "**First Supply Chain**") no later than [***] months prior to the anticipated Initiation of the [***] Clinical Trial and the establishment of a second supply chain (the "**Second Supply Chain**") on [***] by the Joint Manufacturing Committee, such date following the [***] of a Licensed Product. Following approval of the Global Manufacturing Plan by the Joint Steering Committee, each Party will use Commercially Reasonable Efforts to perform its activities thereunder.

6.2 **XMT-1519 Material Transfer and Process Development**.

6.2.1 **XMT-1519 Material Transfer**. Within [***] days of the execution of a three-way confidential disclosure agreement between Licensee, Mersana and [***], as necessary to comply with the provisions of this Article 6, each in a form reasonably acceptable to Licensee, Mersana and [***], Mersana shall transfer to [***].

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6.2.2 **XMT-1519 Process Development**. Following delivery of the XMT-1519 [***] pursuant to Section 6.2.1, Licensee shall conduct Development activities under or pursuant to the Global Manufacturing Plan or as agreed upon by the Joint Manufacturing Committee at the Parties' shared cost as set forth under Section 6.8.1. Licensee shall update the Joint Manufacturing Committee regarding the status and results of such Development activities at each meeting of the Joint Manufacturing Committee.

6.3 **Mersana Initial Supply**. Within [***] days after Initiation of the first [***] Clinical Trial, the Parties shall enter into an agreement pursuant to which Mersana shall supply Licensed Products ("**Mersana Supply Agreement**") to meet [***]. For clarity, under the Mersana Supply Agreement, Mersana shall be responsible for the supply of [***]. The cost of such supply shall be as set forth under Section 6.8.2. The transition from supply of Licensed Products and XMT-1519 under the Mersana Supply Agreement to supply of Licensed Products and XMT-1519 under the First Supply Chain Supply Agreements shall not disrupt the supply of Licensed Products or XMT-1519 to either Party.

6.4 **Establishment of First Supply Chain**.

6.4.1 **General.** In accordance with the Global Manufacturing Plan, the Parties shall collaborate to establish the First Supply Chain. Until the Second Supply Chain is established and the First Supply Chain is modified in accordance with Section 6.5.2, Licensee shall be responsible for the [***], and Mersana shall be responsible [***]. The Joint Manufacturing Committee shall set forth in the Global Manufacturing Plan the Party that shall be responsible for fill and finish of Licensed Products in the First Supply Chain.

6.4.2 **XMT-1519 Technology Transfer**. In accordance with the Global Manufacturing Plan and in order to establish the First Supply Chain in a timely manner, the Joint Manufacturing Committee will establish a plan for the transfer by Mersana of its [***] (the "**XMT-1519 Technical Transfer Plan**"). The transition from supply of Licensed Products and XMT-1519 under the First Supply Chain Supply Agreements to supply of Licensed Products and XMT-1519 upon establishment of the Second Supply Chain in accordance with Section 6.5.2 shall not disrupt the supply of Licensed Products or XMT-1519 to either Party. The XMT-1519 Technical Transfer Plan shall be consistent with the [***]. Following approval of the XMT-1519 Technical Transfer Plan by the Joint Manufacturing Committee, each Party will use Commercially Reasonable Efforts to perform its activities thereunder. To enable such XMT-1519 supply, under the XMT-1519 Technical Transfer Plan Mersana shall, or [***]. Such transfer may be conducted in a step-wise manner if mutually agreed under the XMT-1519 Technical Transfer Plan for the purpose of ensuring the complete and timely transfer of such Know-How. Notwithstanding the foregoing, Mersana shall only be required to deliver such Know-How in its [***].

6.4.3 **First Supply Chain Supply Agreements**. No later than [***] months prior to the anticipated Initiation of the [***] Clinical Trial, the Parties shall enter into one or more agreements pursuant to which [***] (the "**First Supply Chain Supply Agreements**") to meet such other Party's Development and Commercial needs hereunder in mutually agreeable quantities until establishment of the Second Supply Chain and execution of the Mutual Secondary Supply Agreements.

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6.5 **Establishment of Second Supply Chain; Modification of First Supply Chain**.

6.5.1 **Mutual Technology Transfer**. In accordance with the Global Manufacturing Plan and in order to establish the Second Supply Chain, the Joint Manufacturing Committee will establish a plan for the transfer (a) by Licensee of the [***] and (b) by Mersana of [***], in each case that has not already been provided, to enable each Party to establish Manufacturing capabilities necessary for each Party to provide for its own Commercial and Development needs of Licensed Products and any Component and serve as a secondary source to the other Party, including agreed upon capacity expectations for each Party (the "**Technical Transfer Plan**"). Following approval of the Technical Transfer Plan by the Joint Manufacturing Committee, each Party will use Commercially Reasonable Efforts to perform its transfer activities and to achieve its supply and secondary source capabilities in accordance with such Technical Transfer Plan and to obtain related regulatory filings to allow for the use of the Second Supply Chain and the modified First Supply Chain. To enable the foregoing, under the Technical Transfer Plan each Party shall initiate and complete transfer to the other Party of all [***], that is necessary or useful to enable the Manufacture of Licensed Products (including any Component, as applicable) and not previously transferred to such other Party under this Agreement by providing copies or samples of relevant documentation, materials or other embodiments of such [***] to such other Party and by making available its qualified technical personnel on a reasonable basis to consult with such other Party with respect to Licensed Products or any Component. Such transfer may be conducted in a step-wise manner if mutually agreed under the Technical Transfer Plan for the purpose of ensuring the complete and timely transfer of such [***]. Notwithstanding the foregoing, each Party shall only be required to deliver such [***] in its or its Affiliates' Control and its or its Affiliates' or CMO's possession and shall not be required to produce or create any additional such [***]. [***] percent [***] of any FTE Costs and the direct out-of-pocket costs and expenses incurred by either Party or its Affiliate under this Section pursuant to a budget adopted by the Joint Manufacturing Committee, which costs shall be considered Shared [***] Development Costs and subject to Section 4.8.

6.5.2 **Establishment of Second Supply Chain and Modification of First Supply Chain**. In accordance with the Global Manufacturing Plan and once the applicable technology transfers have been completed as described in Section 6.5.1, the Parties will coordinate in good faith to transition (a) the Manufacture of Licensed Products for [***] to the Second Supply Chain (maintaining the First Supply Chain, as modified, as a back-up supply chain) and (b) the Manufacture of XMT-1519 to [***] for the First Supply Chain, respectively, in each case on a timetable consistent with obtaining any required regulatory approvals for the applicable country(ies). The Parties shall use Commercially Reasonable Efforts to achieve such activities on a timeline consistent with the Global Manufacturing Plan. The commencement of use of the Second Supply Chain will occur following the [***] of a Licensed Product on a schedule determined by the Joint Manufacturing Committee. Without limiting the foregoing, the Parties will cooperate to avoid any disruption in supply of Licensed Products or Components. Once the transfers and regulatory approvals have been obtained, as described above, (i) [***] be responsible for the [***], and (ii) [***] shall be responsible for the [***]. Following the transfers and regulatory approvals above, it is intended that, the modified First Supply Chain shall meet [***] Development and Commercial needs hereunder and serve as a secondary source of supply of Licensed Products and Components to the [***] and the Second Supply Chain shall meet

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[***] Development and Commercial needs hereunder and serve as a secondary source of supply of Licensed Products and Components to [***] (subject to required regulatory approvals).

6.5.3 **Mutual Secondary Supply Agreements.** In connection with the establishment of the Second Supply Chain, the Parties shall enter into one or more agreements setting forth the terms under which each Party shall [***] for the Licensed Products and any Component (the "**Mutual Secondary Supply Agreements**") to meet such [***] Development and Commercial needs hereunder in mutually agreeable quantities.

6.6 **Form of Material Transfer**. Any material transfer conducted under this Agreement shall be conducted using a mutually agreed form of material transfer agreement that complies with any Third Party agreements as applicable.

6.7 **Third Party Suppliers**. The Parties acknowledge that each Party may contract with Third Parties to fulfill their obligations to Manufacture and supply Licensed Products or Components hereunder (each, a "**CMO**") subject to the approval of such CMO (unless such CMO is an Existing CMO) by the Joint Manufacturing Committee pursuant to Section 3.3.3(b)(8). Set forth in Schedule 6.7 are Mersana's CMOs providing any Licensed Product Manufacturing critical service or product as of the Effective Date (the "**Existing CMOs**"). The Parties hereby agree that each Existing CMO is deemed to be an Approved CMO solely for performance of Manufacturing of Licensed Products and Components, as the case may be, within the scope of the applicable Existing CMO Agreement. Through the Joint Manufacturing Committee, each Party shall keep the other informed of all activities of its CMOs and material information related to Manufacturing Licensed Products or Components. Each Party shall provide the other Party with reasonable access to its CMOs, including permitting and enabling such other Party to accompany such Party in audits and inspections and using reasonable efforts to cause its CMOs to permit such other Party to conduct audits and inspections, as well as for regulatory purposes and technical transfer and including using reasonable efforts to amend any existing agreements with its CMOs to enable compliance with this Section 6.7. The Parties will coordinate audits and inspections of CMOs through the Joint Manufacturing Committee. Other than agreements in effect as of the Effective Date with Existing CMOs, each Party will provide the other Party with each CMO agreement prior to execution for review and comment and to ensure terms are consistent with the contracting Party's obligations hereunder and under the Mersana Supply Agreement, the First Supply Chain Supply Agreements and the Mutual Secondary Supply Agreements, as applicable. All CMO agreements in effect, or in substantially final draft, as of the Effective Date with Existing CMOs have been provided to Licensee for review prior to the Effective Date (the "**Existing CMO Agreements**"). Comments received within [***] Business Days will be given good faith consideration; provided, however, that each Party shall have final say with respect to the terms and conditions on which it enters into any commercial supply agreement with any CMO subject to the terms of the Mersana Supply Agreement, First Supply Chain Supply Agreements or Mutual Secondary Supply Agreements, as applicable. At either Party's request, the other Party shall disclose to the requesting Party the names of such other Party's existing, back-up or alternative CMOs for Licensed Products and Components. Such requesting Party shall not contact any of the other Party's CMOs or enter into any agreements with such existing and back-up or alternative CMOs to Manufacture Licensed Products (or Components) on the requesting Party's behalf, except as may be permitted above,

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coordinated through the Joint Manufacturing Committee or permitted under the Mersana Supply Agreement, First Supply Chain Supply Agreements or Mutual Secondary Supply Agreements.

6.8 **Cost of Supply**.

6.8.1 **Manufacturing Development Costs**. The Development Costs incurred by either Party or its Affiliate, licensee or Sublicensee in the performance of Development activities related to Manufacturing process development and scale-up set forth in or otherwise consistent with the Global Development Plan (including the Global Manufacturing Plan) shall be Shared Post-Phase I Development Costs and shared (50%:50%) between the Parties in accordance with Section 4.6.5, subject to Section 4.8; provided, however, if any such activities only relate to one Party's territory, such costs shall be borne solely by such Party in accordance with Section 4.6.3 or Section 4.6.4; provided, further, that under no circumstances shall capital costs or any depreciation of capital incurred in the performance of such activity constitute part of the Shared Post-Phase I Development Costs.

6.8.2 **Clinical Supply**. The Supply Cost of Licensed Products, or Components, for a Development activity conducted by either Party or its Affiliates, licensees or Sublicensees under the Global Development Plan shall be shared (50%:50%) between the Parties if the costs of such Development activity are subject to Section 4.6.5 or paid one hundred percent (100%) by the Party supplied if the costs of such Development activity are subject to Section 4.6.3 or Section 4.6.4; provided that if used for joint Development under Section 4.6.5, the Supply Cost of such Licensed Products or Components shall be initially paid by the Party conducting the applicable Clinical Trial or other Development activity and such Party shall submit and receive reimbursement for fifty percent (50%) of such costs under Section 4.8 as Development Costs.

6.8.3 **Commercial Supply**. The cost of supply by either Party to the other Party of Licensed Products for commercial sale or of Components for use in the Manufacture of Licensed Products for commercial sale on and after the First Commercial Sale of such Licensed Product, shall be equal to the Supply Cost thereof plus, if desired by both Parties, a mutually agreed markup and paid [***] percent [***] by the Party supplied.

6.9 **Quality Agreement**. Supply of any Licensed Product or Component hereunder will be in accordance with an applicable written quality agreement between the Parties setting forth the terms and conditions upon which each Party shall conduct its quality activities in connection with such supply (each, a "**Quality Agreement**").

ARTICLE 7 — COMMERCIALIZATION

7.1 **Global Commercialization Plan**. The Joint Commercialization Committee shall develop and approve an initial Global Commercialization Plan at least [***] years prior to the anticipated [***]. After adoption of the initial Global Commercialization Plan, the Joint Commercialization Committee shall review the Global Commercialization Plan and approve any revisions or changes to the Global Commercialization Plan at least [***] for the following [***]. For clarity, the Global Commercialization Plan shall include high level guidelines regarding global strategies, goals and standards, but not the specific activities to be undertaken by each Party or budgets for such activities to achieve such goals. Each Party shall use good faith efforts

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to Commercialize Licensed Products in a manner consistent with the Global Commercialization Plan and Global Branding Strategy. If a Party becomes aware of any Commercialization activity conducted by such Party or any of its Affiliates, licensees or Sublicensees that materially deviates from the Global Commercialization Plan or Global Branding Strategy, it shall promptly notify the other Party of such deviation.

7.2 **Commercialization by Mersana**. During the Term, Mersana shall be solely responsible for Commercializing Licensed Products in the Field in the Mersana Territory. Mersana shall be responsible for [***] percent [***] of the expenses (including pre-launch activities and other Commercialization expenses) incurred in connection with the Commercialization of Licensed Products in the Field in the Mersana Territory (except for shared branding costs as specified under Section 7.6).

7.3 **Commercialization by Licensee**. During the Term, Licensee shall be solely responsible for Commercializing Licensed Products in the Field in the Licensee Territory. Licensee shall be responsible for [***] percent [***] of the expenses (including pre-launch activities and other Commercialization expenses) incurred in connection with the Commercialization of Licensed Products in the Field in the Licensee Territory (except for shared branding costs as specified under Section 7.6).

7.4 **Commercialization Diligence**.

7.4.1 Upon Regulatory Approval in a country in the Licensee Territory for a Licensed Product, Licensee shall use Commercially Reasonable Efforts to Commercialize such Licensed Product in the Field in such country.

7.4.2 During the Term, Mersana shall:

(a) use commercially reasonable efforts, [***] to commercialize Licensed Products consistent with its obligations set forth in Section 4.3 of the [***]

(b) use Commercially Reasonable Efforts (for clarity, as defined under this Agreement) to conduct such Commercialization as is necessary to prevent the occurrence of any obligation to grant any license or assignment as provided under Section 4.3(c)(iii) of the Adimab Agreement that relates in any way to Licensed Products.

7.5 **Commercialization Reports**. Regarding the Commercialization of Licensed Products, Licensee shall update the Joint Commercialization Committee at each meeting regarding the expected and actual date of [***] in each country in the Licensee Territory, its material Commercialization activities involving Licensed Products in the Licensee Territory, including a report, in a form agreed upon by the Joint Commercialization Committee, summarizing such material Commercialization activities and the timing of such activities. Such reports submitted by Licensee shall cover the subject matter at a level of detail reasonably sufficient to enable Mersana to determine Licensee's compliance with its diligence obligations pursuant to Section 7.4. Mersana shall have the opportunity to seek further explanation or clarification of matters covered in such reports and to provide observations and suggestions to Licensee regarding the subject matter thereof and Licensee shall promptly provide such

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explanation or clarification and shall consider such observations and suggestions in good faith. Furthermore, if after receiving such a report Mersana wishes to meet with Licensee to discuss such report, Licensee shall meet with Mersana within [***] days of any request by Mersana. The location of any such meetings shall alternate between the Parties' offices, with the first such meeting at Mersana's offices in Cambridge, MA; provided that any such meeting may occur at any other site reasonably acceptable to both Parties.

7.6 **Product Branding**.

7.6.1 **Branding Strategy**. The Parties, through the Joint Commercialization Committee, shall use good faith efforts to generate and adopt (and thereafter may modify and update) a global branding strategy for Licensed Products for use in the Field throughout the world, including key messages and any desired shared trademarks with respect to Licensed Products, (the "**Global Branding Strategy**"). In the event the Parties desire to conduct a joint process for considering trademarks for the Licensed Products, then the Parties shall coordinate through the Joint Commercialization Committee and share [***] external out-of-pocket costs incurred in connection with such selection process (including naming agency fees). Upon request by a Party, the other Party shall provide copies of promotional materials or educational materials as then used by such other Party in the Commercialization of Licensed Products in the Field in the Mersana Territory or any Major Market Country, as applicable.

7.6.2 **Conference Booths**. Subject to Section 3.3.2(b)(7) and Applicable Law, Licensee may participate in scientific and medical conferences in the Mersana Territory, but shall not knowingly discuss Licensed Products with any prescribers residing in the Mersana Territory. Subject to Section 3.3.2(b)(7) and Applicable Law, Mersana may participate in scientific and medical conferences in the Licensee Territory, but shall not knowingly discuss Licensed Products with any prescribers residing in the Licensee Territory.

7.6.3 **Trademarks and Trade Dress**.

(a) **Party's House Marks**. To the extent permitted and except as otherwise required by Applicable Law, unless otherwise agreed by the Joint Commercialization Committee, and subject to obtaining necessary Regulatory Authority approvals, with respect to Licensed Products to be sold by Licensee or on behalf of Licensee, its Affiliates or Sublicensees in the Licensee Territory, Licensed Products shall be branded solely with the house mark of Licensee or its Affiliate, licensee or Sublicensee (at Licensee's sole discretion, subject to Applicable Law) and any Licensed Product Trademark consistent with this Agreement. To the extent permitted and except as otherwise required by Applicable Law, unless otherwise agreed by the Joint Commercialization Committee, and subject to obtaining necessary Regulatory Authority, with respect to Licensed Product to be sold by Mersana or on behalf of Mersana, its Affiliates, licensees or Sublicensees in the Mersana Territory, Licensed Product shall be branded solely with the house mark of Mersana or its Affiliate, licensee or Sublicensee (at Mersana's sole discretion, subject to Applicable Law) and any Licensed Product Trademark consistent with this Agreement.

(b) **Licensed Product Trademarks and Trade Dress**. Each Party shall inform the Joint Commercialization Committee of the trademark(s) and trade dress that

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such Party selects for use to Commercialize Licensed Product in the Field in the Mersana Territory with respect to Mersana and in the Major Market Countries with respect to Licensee (the "**Licensed Product Trademarks**" and the "**Licensed Product Trade Dress**", respectively), and each Party shall use good faith efforts to make its Licensed Product Trademarks and Licensed Product Trade Dress consistent with the Global Branding Strategy. For clarity, the provisions set forth under this Section 7.6.3(b) shall apply for brand name(s) and non-proprietary name(s) (including World Health Organization international nonproprietary name(s) and United States adopted name(s)), as applicable, of Licensed Products.

(1) The Licensed Product Trademarks and Licensed Product Trade Dress under which one or more Licensed Products are marketed or sold (other than the Parties' corporate trademarks or trade names) shall be used by Mersana and Licensee only pursuant to the terms of this Agreement to identify and in connection with the Commercialization of Licensed Products in the Field, and shall not be used to identify or in connection with the marketing of any other products.

(2) Mersana shall own and shall be responsible for all trademark activities (including filing, prosecuting, registering, maintenance, surveillance and enforcement) in the name of Mersana or its designated Affiliate for its Licensed Product Trademarks in the Mersana Territory (the "**Mersana Trademarks**") and for all trade dress activities for Licensed Products in the Mersana Territory. Mersana shall bear all costs associated with all such Mersana Trademark activities and Mersana Territory trade dress activities.

(3) Licensee shall own and shall be responsible for all trademark activities (including filing, prosecuting, registering, maintenance, surveillance and enforcement) in the name of Licensee or its designated Affiliate for its Licensed Product Trademarks in the Licensee Territory (the "**Licensee Trademarks**") and for all trade dress activities for Licensed Products in the Licensee Territory. Licensee shall bear all costs associated with all such Licensee Trademark activities and Licensee Territory trade dress activities.

(4) Licensee hereby grants to Mersana a non-exclusive, royalty-free, sublicensable right and license during the Term to utilize such Licensee Trademarks in order to perform Manufacturing and the other activities required to be performed by or on behalf of Mersana hereunder and under the Mersana Supply Agreement, the First Supply

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Chain Supply Agreements and Mutual Secondary Supply Agreements. Mersana hereby grants to Licensee a non-exclusive, royalty-free, sublicensable right and license during the Term to utilize such Mersana Trademarks in order to perform Manufacturing and the other activities required to be performed by or on behalf of Licensee hereunder and under the First Supply Chain Supply Agreements and Mutual Secondary Supply Agreements.

(5) Notwithstanding the foregoing, Mersana shall own any nonproprietary name(s) of Licensed Products. Any such names shall be generated at the Parties' [***] cost. Licensee shall have the right to participate fully in the nonproprietary name selection process and comments offered by Licensee shall be considered in good faith by Mersana; provided that Mersana shall have final decision-making authority with respect to such selection.

(6) Mersana hereby grants to Licensee a non-exclusive, royalty-free, sublicensable right and license during the Term to utilize the nonproprietary name(s) in order to conduct activities under this Agreement.

(7) In the event that either Party become aware of any counterfeiting activity with respect to a Licensed Product, such Party shall use Commercially Reasonable Efforts to (a) notify the other Party, and (b) have such counterfeit product removed from the marketplace and to prevent future counterfeiting. For clarity, neither Party shall have any duty with regard to counterfeiting activity of which it lacks knowledge, and neither Party shall have a duty to investigate with regard to such activity.

(8) Each Party shall own and retain all right, title and interest in and to any and all domain names (including both gTLDs and ccTLDs) and any social media name, tag or handle or similar identifier (collectively, "**Domain Names**") that incorporate, in whole or in part, any of its trademarks or names, and shall have the sole right and responsibility, to administer, manage, and control the content of any website associated with, and use, those Domain Names that incorporate, in whole or in part, any of its trademarks under the terms and conditions below. Each Party shall not, and shall cause its Affiliates and its and their respective licensees or Sublicensees not to, register any Domain Name that incorporates in whole or in part any trademark that is confusingly similar to, a colorable imitation of, or

deceptive with respect to, or that dilutes any trademark of the other Party. In the event that there is a Licensed Product Trademark that the Parties mutually agree will be used in both the Licensee Territory and the Mersana Territory, the Parties shall coordinate regarding the allocation of Domain Names that contain such Licensed Product Trademarks.

(c) **Use of Trademarks**. Each Party shall only use the other Party's trademarks with the necessary trademark designations, and each Party shall use the other Party's trademarks, names and logos in a manner that does not derogate from the other Party's rights in its trademarks, names and logos. Each Party will take no action that will interfere with or diminish the other Party's rights in its respective trademarks, names and logos, and if a Party reasonably believes that the use of its trademarks, names and logos by the other Party hereunder is interfering with or diminishing its rights, such Party shall notify the other Party thereof in writing and such other Party shall promptly cease use of such trademarks, names or logos in such manner. At no time during or after the Term shall either Party challenge or assist others to challenge the other Party's trademarks or the registrations thereof. Each Party agrees that all use of the other Party's trademarks, names and logos will inure to the benefit of such other Party, including all goodwill in connection therewith. Each Party agrees not to register, seek to register or cause to be registered any Licensed Product Trademarks, or Licensed Product Trade Dress, logos or slogans, owned by the other Party or any variation thereof or any trademark, name or logo confusingly similar thereto, except to the extent consistent with the Global Branding Strategy.

7.7 **Booking of Sales; Distribution**. As between the Parties, Mersana shall have the sole right to invoice and book sales, establish all terms of sale (including pricing and discounts) and warehouse and distribute Licensed Products in the Mersana Territory and perform or cause to be performed all related services, and Licensee shall have the sole right to invoice and book sales, establish all terms of sale (including pricing and discounts) and warehouse and distribute Licensed Products in the Licensee Territory and perform or cause to be performed all related services. As between the Parties, Mersana shall handle all returns, recalls or withdrawals, order processing, invoicing, collection, distribution and inventory management with respect to Licensed Products in the Mersana Territory, and Licensee shall handle all returns, recalls or withdrawals, order processing, invoicing, collection, distribution and inventory management with respect to Licensed Products in the Licensee Territory. Each Party shall notify the other Party within a reasonable period after commencing any recall of any lot of Licensed Products. Recalls shall be further addressed in the applicable Quality Agreement(s) and the Mersana Supply Agreement, First Supply Chain Supply Agreements and Mutual Secondary Supply Agreements.

ARTICLE 8 - FEES, MILESTONES AND ROYALTIES

8.1 **Upfront Fee**. Following the Effective Date, Mersana shall issue an invoice to Licensee, and within [***] days of receiving such invoice, Licensee shall pay to Mersana an upfront fee of twenty-six million five hundred thousand dollars ($26,500,000), payable by wire transfer of immediately available funds according to instructions that Mersana shall provide. In the event that the IND Clearance Date has not occurred prior to January 30, 2017, thirteen

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million two hundred and fifty thousand dollars ($13,250,000) of the upfront fee paid under Section 8.1 shall be creditable towards clinical and sales milestones that are or become due under the Platform Agreement.

8.2 **Equity Investments in Mersana**.

8.2.1 From the Effective Date and until the earliest of (a) the [***] anniversary of the Effective Date, (b) [***] and (c) [***], Licensee shall be required pursuant to the terms of this Section 8.2 to invest in Mersana the Equity Financing Purchase Amount in an Equity Financing. The "**Equity Financing**" shall mean the next sale (or series of related sales) (i.e., the next funding round), if any, [***].

8.2.2 Mersana shall notify Licensee at least [***] days prior to the closing of the Equity Financing and provide drafts of the transaction documents, and Licensee shall purchase the number of shares of Mersana's preferred stock issued in such Equity Financing equal to the Equity Financing Purchase Amount divided by the price per share paid by the other purchasers of the shares of Mersana's preferred stock sold in the Equity Financing, and Licensee shall execute and deliver to Mersana, and shall be entitled to all rights [***], including, without limitation, information and inspection rights and a right of first offer on new issuances (subject to all applicable obligations), of other purchasers in the Equity Financing to the extent set forth in, all transaction documents as may be reasonably requested by Mersana that are entered into by other purchasers participating in the Equity Financing, including a purchase agreement, an investor rights agreement and other ancillary agreements, with customary representations and warranties and transfer restrictions (including a customary lock-up or market standoff agreement of [***] days following the IPO); *provided* that Licensee shall not be subject to any "pay-to-play" or similar feature in respect of the shares of preferred stock purchased under this Section 8.2.2.

8.2.3 From the Effective Date and until the earliest of (a) the [***] anniversary of the Effective Date, (b) [***] and (c) [***], Licensee shall be required in accordance with this Section 8.2.3 to invest in Mersana in a concurrent private placement at the time of the first underwritten public offering of Mersana's common stock (the "**IPO**"). Mersana shall notify Licensee at least [***] days prior to the closing of the IPO, and Licensee shall purchase (to the extent that Mersana deems permissible under the federal securities laws, the rules and regulations of the Financial Industry Regulatory Authority, Inc., and all other Applicable Laws, rules and regulations), in a private offering exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), concurrently with the IPO, at a purchase price equal to the price per share of common stock sold to the public in the IPO, a number of shares of Mersana's common stock equal to the IPO Purchase Amount divided by the price per share of common stock sold to the public in the IPO. Such purchase shall be on terms customary for such an investment, including as set forth in a customary stock purchase agreement reasonably satisfactory to Licensee and Mersana and an agreement to execute and deliver to Mersana a customary lock-up or market standoff agreement of [***] days following the IPO, but shall not include any obligation by Mersana to register the shares sold to Licensee in such private offering other than customary piggyback registration rights in subsequent

registrations *pari passu* to those that are or have been granted to other investors in Mersana (which piggyback rights shall be included in such stock purchase agreement, in an investor rights agreement to which other investors are a party or in another applicable agreement).

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8.2.4 The "**Equity Financing Purchase Amount**" shall mean the lesser of (a) [***] dollars [***] or, if the Equity Financing is consummated [***], at the election of Licensee, [***] dollars [***], and (b) such amount in US dollars such that Licensee's total ownership of all shares of Mersana following its acquisition of shares of Mersana in accordance with this Section 8.2 would equal [***] percent [***] of the then issued and outstanding common stock of Mersana on a fully diluted basis.

8.2.5 The "**IPO Purchase Amount**" s shall mean (A) in the event an IPO occurs following an Equity Financing, at Licensee's election, either (i) twenty million dollars ($20,000,000) minus the Equity Financing Purchase Amount or (ii) ten million dollars ($10,000,000), or (B) in the event an IPO occurs without Mersana having completed an Equity Financing, then (x) if the IND Clearance Date has occurred prior to the IPO, twenty million dollars ($20,000,000) or (y) if the IND Clearance Date has not occurred prior to the IPO, at Licensee's election either twenty million dollars ($20,000,000) or zero dollars ($0); provided, however, that the amount pursuant to clause (A) or (B) above, as applicable, shall be reduced as needed to such amount in US dollars so that Licensee's total ownership of all shares of Mersana following its acquisition of shares of Mersana in accordance with this Section 8.2 would equal [***] percent [***] of the then issued and outstanding common stock of Mersana on a fully diluted basis.

8.2.6 If Licensee invests in Mersana in an Equity Financing, commencing with the closing of such investment and ending on the earlier of (a) [***], (b) [***], or (c) [***], Licensee shall have the right to designate [***] board observer from Licensee's scientific organization who will be entitled to receive notice of and attend all meetings of the Board of Directors (and any committee thereof), participate in all deliberations of the Board of Directors (and any committee thereof) and receive copies of all notices, minutes, reports, actions by written consent and other materials provided to the members of the Board of Directors (and any committee thereof) when such documents and materials are provided to the members of the Board of Directors or such committee; *provided* that the board observer shall not have the right to receive any information or materials or to participate in any meetings (x) to the extent Mersana determines in good faith and based on the advice of counsel that the provision of such information or materials to the board observer or the board observer's participation in such meetings could result in a waiver of the attorney-client privilege, or (y) to the extent Mersana determines in good faith (i) that the information, materials or meeting relates directly and substantially to any matter in which Licensee has a material business or financial interest adverse to Mersana or (ii) that the provision of such information or materials to the board observer or the board observer's participation in such meetings could result in a conflict-of-interest. At Mersana's request, such board observer shall execute a confidentiality agreement in a form reasonably acceptable to Mersana.

8.3 **Royalties Payable by Licensee**.

8.3.1 **During Royalty Term**. Licensee shall pay to Mersana royalties on Net Sales of each Licensed Product during the applicable Royalty Term for such Licensed Product in the Licensee Territory, which royalties shall be paid at the following rates as set forth below:

(a) [***] of the portion of Net Sales of such Licensed Product [***];

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(b) [***] of the portion of Net Sales of such Licensed Product [***]; and

(c) [***] of the portion of Net Sales of such Licensed Product [***];

(d) For avoidance of doubt, the incremental royalty rates set forth above shall only apply to that portion of the Net Sales that falls within the indicated range of sales. By way of example, if, during a Calendar Year, Net Sales of a Licensed Product were equal to [***] dollars [***], the royalty payable by Licensee would be calculated by adding (i) the royalty due on Net Sales with respect to the first [***] dollars [***] at the first level percentage of [***] percent [***], (ii) the royalty due on Net Sales with respect to the next [***] dollars [***] at the second level percentage of [***] percent [***]. The obligation to pay royalties shall be imposed only once with respect to the same unit of such Licensed Product sold by Licensee, its Affiliates or Sublicensees; and

(e) If and for so long as there is a Biosimilar/Generic Product being sold by a Third Party in a [***] in a country in the Licensee Territory with respect to a Licensed Product, then the royalties otherwise payable by Licensee to Mersana in such country pursuant to Sections 8.3.1(a), 8.3.1(b), and 8.3.1(c) with respect to such Licensed Product shall be reduced by the percent set forth below of the amounts otherwise owed:

Biosimilar/Generic Products unit volume sales for each Licensed Product in such country, as a percentage of total sales of such Licensed Product and Biosimilar/Generic Products in such country	Reduction rate
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Such reduction shall apply first and any other step downs applicable shall be applied following the calculation of such reduction. The Parties will select a mutually agreeable independent Third Party to identify and calculate the Biosimilar/Generic Products unit volume sales for each Licensed Product in a [***] in a country in the Licensee Territory and such unit volume sales amounts shall be included in each Royalty Report provided for under Article 9. In the event that such independent Third Party is not available or otherwise able to accurately determine or calculate the Biosimilar/Generic Product unit volume sales, Licensee shall calculate the Biosimilar/Generic Product unit volume sales based on available data in good faith. In the event Mersana disputes Licensee's calculation of any Biosimilar/Generic Product unit volume

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sales for such Licensed Product in a country in the Licensee Territory, Mersana may by written notice to Licensee require that such dispute be resolved in accordance with Section 20.3 by and submitted to a [***] pursuant to Section 20.3.4; provided, that Licensee shall have the right to take royalty reductions pursuant to this Section 8.3.1(e) pending resolution of any such dispute, calculated using its good faith calculation of the Biosimilar/Generic Product unit volume sales pursuant to the preceding sentence; provided, further, that if any such dispute is resolved in favor of Mersana, within [***] days of such resolution, Licensee shall pay to Mersana any adjustment in royalties due pursuant to Sections 8.3.1(a), 8.3.1(b), and 8.3.1(c) as required by such resolution together with the interest payment required by Section 8.11.

Mersana acknowledges and agrees that the sales levels set forth in this Section 8.3 and in Section 8.8 shall not be construed as representing an estimate or projection of anticipated sales of Licensed Products or implying any level of diligence or Commercially Reasonable Efforts in the Licensee Territory and that the sales levels set forth in Section 8.3 and in Section 8.8 are merely intended to define Licensee's royalty and other payment obligations, as applicable, in the event such sales levels are achieved and that the sales levels set forth in Section 8.3 and in Section 8.8 are merely intended illustrative purposes only.

8.3.2 **Royalty for Joint Patent Rights.** In the event that the Royalty Term for a Licensed Product in a country in the Licensee Territory has not expired, but there is no Valid Patent Claim of a Mersana Patent Right that Covers such Licensed Product in such country and the Royalty Term remains in effect in such country solely due to the existence of one or more Valid Patent Claim(s) of Joint Patent Right(s) that Cover such Licensed Product in such country, Licensee shall pay to Mersana royalties on Net Sales of such Licensed Product equal to [***] percent [***] of the royalties otherwise payable by Licensee to Mersana for such Licensed Product in such country pursuant to Sections 8.3.1(a), 8.3.1(b) and 8.3.1(c) after applying the reductions set forth in Sections 8.3.1(e) and 8.4. In order to appropriately calculate any step-downs hereunder, in the event that [***] royalty rates are applicable with respect to a Licensed Product in a country in any given [***] (e.g., if a royalty threshold occurs during a given [***]) and there is any applicable step-down in such country in such [***], then an effective [***] shall be calculated and used for such Licensed Product in such country in such [***] and any step-downs shall be applied to such effective [***].

8.4 **Third Party Payments**.

8.4.1 Subject to Section 8.4.2, Licensee shall be responsible for paying [***] owed by Mersana [***] to the extent due as a result of Development, Manufacture, or Commercialization of Licensed Products in the Licensee Territory by Licensee, its Affiliates or its Sublicensees. Licensee shall include the Net Sales [***] of Licensed Products in the Licensee Territory and the calculation of any royalties due on such Net Sales [***] in each Royalty Report. Licensee shall pay the amount of such royalties to [***], on the date such Royalty Report is due pursuant to Section 9.1.2. For clarity, Licensee shall not be responsible for paying [***].

8.4.2 Licensee shall be entitled to deduct from royalties due to Mersana under Section 8.3 with respect to sales of a Licensed Product in a particular country in the Licensee Territory an amount equal to [***] percent [***] of (a) any Third Party Payments including those paid by Licensee under Section 8.4.1 or (b) any amounts paid by Licensee or any of its

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Affiliates to Mersana as reimbursement for amounts owed for Third Party IP Rights pursuant to Section 12.3, which Third Party IP Rights would, but for ownership of or the grant of a license to such Third Party IP Rights, [***], provided that with respect to any Third Party Payments or other amounts owed to a Third Party pursuant to clauses (a) and (b) above that are not specific to the [***] (such as, for example, an amount paid in lump-sum for both such Licensed Product and an unrelated product), only payments that are reasonably allocated to such sales of such Licensed Product in such country in the Licensee Territory as mutually agreed by the Parties may be used for the deduction provided in this Section 8.4.2. If the Parties fail to agree on such allocation, either Party may by written notice require that such dispute be resolved in accordance with Section 20.3 and submitted to a [***] pursuant to Section 20.3.4.

8.4.3 Notwithstanding anything to the contrary, in no event shall the royalty payments to Mersana pursuant to Section 8.3 be reduced pursuant to this Section 8.4 below [***] percent [***] of the royalty payments otherwise due pursuant to Section 8.3.

8.5 **Limitations on Royalty Reductions**. Notwithstanding anything to the contrary, in no event shall the royalty payments to Mersana pursuant to Sections 8.3.1(a), 8.3.1(b) and 8.3.1(c) be reduced pursuant to Sections 8.3.1(e), 8.3.2 and 8.4 below [***] percent [***] of the royalty payments otherwise due pursuant to Sections 8.3.1(a), 8.3.1(b) and 8.3.1(c); provided, that if Section 8.3.1(e) above applies with respect to a Biosimilar/Generic Product with greater than [***] percent [***] market share in a [***]in a county, then the royalty payments to Mersana for such country may be reduced pursuant to Section 8.3.1(e) to [***] percent [***] of the royalty payments otherwise due pursuant to Sections 8.3.1(a), 8.3.1(b) and 8.3.1(c).

8.6 **Development Milestone Payments**. With regard to any milestone payment under this Section 8.6 that is triggered by the activities of a Party or its Affiliates, licensees or Sublicensees, such Party shall notify the other Party of the occurrence of the milestone triggering event set forth below with respect to the first Licensed Product to trigger such occurrence within [***] days of such occurrence. Mersana shall issue a corresponding invoice to Licensee promptly

following delivery or receipt of such a notice. Licensee shall pay the milestone payment due with respect to such event within [***] days of receiving Mersana's invoice therefor. The milestones and corresponding milestone payments are as follows (where "upon" refers to the payment timelines described in this paragraph) (any capitalized terms used in this Section 8.6 and not defined in Article 1 of this Agreement shall have the meanings set forth in the Global Development Plan):

(a) Upon the IND Clearance Date: twenty million dollars ($20,000,000).

(b) [***] listed in the chart below, the corresponding milestone payment:

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Indication	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Upon the occurrence of the [***] milestone under this Section 8.6(b), Licensee shall pay Mersana [***] dollars [***] in addition to and concurrently with the applicable milestone payment indicated above. Upon the occurrence of the [***] milestone under this Section 8.6(b), Licensee shall pay Mersana [***] dollars [***] in addition to and concurrently with the applicable milestone payment indicated above.

Each milestone under this Section 8.6(b) shall be payable only once, upon the first achievement of such milestone and no amounts shall be due for subsequent or repeated achievements of such milestone. The maximum total payment under this Section 8.6(b) shall be [***] million dollars [***].

(c) [***] listed in the chart below, the corresponding milestone payment:

Indication	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Each milestone under this Section 8.6(c) shall be payable only once, upon the first achievement of such milestone and no amounts shall be due for subsequent or repeated achievements of such milestone. The maximum total payment under this Section 8.6(c) shall be [***] dollars [***].

If a milestone is achieved under this Section 8.6(c) with respect to an Indication and a milestone has not previously been paid with respect to such Indication under Section 8.6(b), Licensee shall pay Mersana the amount due under Section 8.6(b) as if Initiation of a Phase [***] Clinical Trial for such Indication occurred simultaneously with Initiation of the Phase [***] Clinical Trial for such Indication in addition to and concurrently with the applicable milestone payment due under this Section 8.6(c).

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(d) Upon receipt of written notice of the [***].

(e) Upon receipt of written notice of the [***].

(f) For each of the following Indications, upon receipt of written notice of (i) [***], and (ii) [***], the corresponding milestone payment:

Indication	Jurisdiction	Milestone Payment
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

Each milestone under this Section 8.6(f) shall be payable only once, upon the first achievement of such milestone and no amounts shall be due for subsequent or repeated achievements of such milestone. The maximum total payment under this Section 8.6(f) shall be [***] million dollars [***].

(g) Upon receipt of [***] listed in the chart below, the corresponding milestone payment:

Indication	Jurisdiction	Milestone Payment
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

Each milestone under this Section 8.6(g) shall be payable only once, upon the first achievement of such milestone and no amounts shall be due for subsequent or repeated achievements of such milestone. The maximum total payment under this Section 8.6(g) shall be [***] million dollars [***].

8.7 **Change in Form, Formulation or Dosage**. No milestone payment that has already been paid for a Licensed Product shall be due for a change in form, formulation or dosage of such Licensed Product and each milestone is due only once regardless of the number of Licensed Products.

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8.8 **Sales Milestone Payments**. Licensee shall notify Mersana of any Calendar Year in which annual Net Sales of all Licensed Products regardless of Indication in such Calendar Year in all countries in the Licensee Territory reach the following thresholds for the first time within [***] days after the end of such Calendar Year, and shall make the following sales milestone payments to Mersana within [***] days after receiving an invoice from Mersana therefor:

Annual Net Sales Threshold	Sales Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]

Each sales milestone payment is separate and may only be earned once, irrespective of the number of times such thresholds are achieved, but if more than one (1) Net Sales threshold is reached in the same Calendar Year, all corresponding sales milestone payments shall be payable during such Calendar Year. For example, if annual Net Sales of Licensed Products first exceeds [***] dollars [***] in Calendar Year 1, [***] dollars [***] shall be payable to Mersana for such Calendar Year 1, however, if annual Net Sales of Licensed Products first exceeds [***] million dollars [***] in Calendar Year 2 (without first exceeding [***] dollars [***] in Calendar Year 1), then both the [***] dollar [***] and the [***] dollar [***] sales milestone payments would be payable to Mersana for such Calendar Year 2.

8.9 **Payment Terms**. Royalties shown to have accrued by each Royalty Report provided for under Article 9 shall be due on the date such Royalty Report is due pursuant to Section 9.1.2.

8.10 **Payment Method**. All payments between the Parties under this Agreement shall be paid in U.S. dollars, and all such payments shall be made by bank wire transfer in immediately available funds to the bank account designated by the receiving Party in writing; provided, that such account information is provided to the paying Party at least [***] days prior to any such payment becoming due hereunder.

8.11 **Late Payments**. If a Party does not receive payment of any sum due to it on or before the due date therefor, simple interest shall thereafter accrue on the sum due to such Party from the due date until the date of payment at a per-annum rate of [***] percent [***] over the then-current prime rate during the period reported in The Wall Street Journal or the maximum rate allowable by Applicable Law, whichever is lower.

8.12 **Exchange Control**. If at any time legal restrictions prevent the prompt remittance of part or all royalties with respect to any country in the Licensee Territory where a Licensed Product is sold, payment shall be made through such lawful means or method as the Parties reasonably shall determine.

8.13 **Taxes**. A Party receiving a payment pursuant to this Agreement shall pay any and all taxes levied on such payment. Except as otherwise provided below, all amounts due from

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Licensee to Mersana and from Mersana to Licensee under this Agreement are gross amounts. The paying Party shall be entitled to deduct the amount of any withholding taxes payable or required by Applicable Law to be withheld by the paying Party, its Affiliates, licensees or Sublicensees, to the extent the paying Party, its Affiliates, licensees or Sublicensees pay such withheld amounts to the appropriate Governmental Authority on behalf of the receiving Party. Each Party shall use Commercially Reasonable Efforts to minimize any such taxes, levies or charges required to be withheld on behalf of the receiving Party by the paying Party, its Affiliates, licensees or Sublicensees. The paying Party promptly shall deliver to the receiving Party proof of payment of all such taxes, levies and other charges, together with copies of all communications from or with such Governmental Authority with respect thereto, and other supporting documentation as may be required by the Governmental Authority, and shall cooperate with the receiving Party in seeking any related tax exemption or credits that may be available to the receiving Party with respect thereto.

ARTICLE 9- ROYALTY REPORTS AND ACCOUNTING

9.1 Royalty Reports, Exchange Rates.

9.1.1 Licensee shall, with respect to each Calendar Quarter (or portion thereof), provide a written report showing, on a consolidated aggregated basis in reasonable detail (a) the Gross Sales of Licensed Products sold by Licensee, its Affiliates or Sublicensees in the Licensee Territory during the corresponding Calendar Quarter on which royalties are due hereunder and the Net Sales from such Gross Sales; (b) the royalties payable in U.S. dollars, if any, which shall have accrued hereunder based upon such Net Sales of Licensed Products; (c) the Net Sales ([***]) of Licensed Products sold by Licensee, its Affiliates or Sublicensees in the Licensee Territory during the corresponding Calendar Quarter, (d) the royalties payable in U.S. dollars, if any, which shall have accrued under the [***] based upon such Net Sales ([***]) and payable to Mersana in accordance with Section 8.4.1, (e) the withholding taxes, if any, required by law to be deducted in respect of any such royalties; (f) the dates of the First Commercial Sale of each Licensed Product in each country in the Licensee Territory for which royalties are due hereunder, if it has occurred during the corresponding Calendar Quarter; and (g) the exchange rates (as determined pursuant to Section 9.1.3 herein) used in determining the royalty amount expressed in U.S. dollars (each, a "**Royalty Report**").

9.1.2 Royalty Reports shall be due on the [***] day following the end of the Calendar Quarter to which such Royalty Report relates. Licensee shall keep complete and accurate records in sufficient detail to properly reflect all Gross Sales, Net Sales and Net Sales ([***] and to enable the royalties payable hereunder to be determined.

9.1.3 With respect to sales of Licensed Products invoiced in U.S. dollars, the Gross Sales, Net Sales, Net Sales ([***]) and royalties payable shall be expressed in U.S. dollars. With respect to sales of Licensed Products invoiced in a currency other than U.S. dollars, the Gross Sales, Net Sales, Net Sales ([***]) and royalties payable shall be expressed in the currency of the invoice issued by the Selling Person together with the U.S. dollars equivalent of the royalty due, calculated using the average quarter-end rate of exchange for a given Calendar Quarter published in the Wall Street Journal during the applicable Calendar Quarter.

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9.2 Audits.

9.2.1 Upon the written request of each Party (the "**Auditing Party**") and with at least [***] days prior written notice, but not more than [***] in any Calendar Year, the other Party (the "**Audited Party**") shall permit an independent certified public accounting firm of internationally recognized standing, selected by Mersana and reasonably acceptable to the Audited Party, at the Auditing Party's sole cost and expense (except as set forth in this Section 9.2), to have access during normal business hours to such of the records of the Audited Party as required to be maintained under this Agreement to verify the accuracy of the Royalty Reports, Development Cost Reconciliation Reports and other reimbursements based on out-of-pocket costs due hereunder. Such accountants may audit Royalty Reports, Development Cost Reconciliation Reports and other such records made for any Calendar Year ending not more than [***] months prior to the date of such request. The accounting firm shall disclose to the Auditing Party only whether the Royalty Reports, Development Cost Reconciliation Reports, and other reimbursements were correct or not, and the specific details concerning any discrepancies and such information shall be shared at the same time with the Audited Party. No other information obtained by such accountants shall be shared with the Auditing Party.

9.2.2 If such accounting firm concludes that royalties were over-reported or underreported, then one Party shall make an adjusting payment in order to rectify the error so that the net amount paid by Licensee equals the total royalties owed. If such accounting firm concludes that either Party misreported any costs and expenses that were shared by the Parties hereunder, then one Party shall make a payment to the other Party in order to rectify the error and effect the intended sharing of such costs and expenses hereunder. Any of the foregoing amounts due shall be paid within [***] days following the date the Auditing Party delivers to the Audited Party such accounting firm's written report so concluding. Interest per Section 8.11 shall be charged in the event that the paying Party was the cause of the error. The fees charged by such accounting firm shall be paid by the Auditing Party; provided, that if the Audited Party under-reported Net Sales or a royalty amount or overstated its shared costs and expenses, in each case for the audited period, by more than [***] percent [***] in the aggregate, then the Audited Party shall pay the reasonable fees and expenses charged by such accounting firm.

9.3 Confidential Financial Information. The Parties shall treat all financial information subject to review under this Article 9 or under any sublicense agreement as Confidential Information of the disclosing Party as set forth in Article 10, and shall cause its accounting firm to retain all such financial information in confidence under terms substantially similar to those set forth in Article 10 and with respect to each inspection, the independent accounting firm shall be obliged to execute for each Party's benefit a reasonable confidentiality agreement prior to commencing any such inspection.

ARTICLE 10 - CONFIDENTIALITY

10.1 Non-Disclosure Obligations. Except as otherwise provided in this Article 10 during the Term and for a period of [***] years thereafter, each Party and their respective Affiliates shall maintain in confidence, and use only for purposes as expressly authorized and contemplated by this Agreement, all Confidential Information of the other Party. "Confidential Information" means all confidential or proprietary information (including information relating to

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such Party's development, marketing and other business practices and finances), data, documents or other materials supplied by the other Party or their respective Affiliates under this Agreement, including such information that is marked or otherwise identified as "Confidential;" provided, that notwithstanding anything to

the contrary, (a) Confidential Information constituting Mersana Product Know-How, Mersana Platform Know-How, Mersana Other Know-How or Mersana Regulatory Documentation shall be Confidential Information of Mersana (and Mersana shall be deemed the disclosing Party and Licensee the receiving Party with respect thereto), (b) Confidential Information constituting Licensee Product Know-How, Licensee Other Know-How, or Licensee Regulatory Documentation shall be Confidential Information of Licensee (and Licensee shall be deemed the disclosing Party and Mersana the receiving Party with respect thereto) and (c) the terms of this Agreement and Confidential Information consisting of Joint Know-How shall be Confidential Information of both Parties (and both Parties shall be deemed the receiving Party with respect thereto). Each Party shall use at least the same standard of care as it uses to protect its own Confidential Information to ensure that its and its Affiliates' employees, agents, consultants and clinical investigators only make use of the other Party's Confidential Information for purposes as expressly authorized and contemplated by this Agreement and do not disclose or make any unauthorized use of such Confidential Information.

10.2 Permitted Disclosures.

10.2.1 Notwithstanding the foregoing, but subject to the last sentence of this Section 10.2, the provisions of Section 10.1 shall not apply to information, documents or materials that the receiving Party can conclusively establish:

(a) have become published or otherwise entered the public domain or become generally available to the public other than by breach of this Agreement by the receiving Party or its Affiliates;

(b) are permitted to be disclosed by prior consent of the other Party;

(c) have become known to the receiving Party by a Third Party, provided such Confidential Information was not obtained by such Third Party directly or indirectly from the disclosing Party on a confidential basis;

(d) prior to disclosure under the Agreement, was already in the possession of the receiving Party, its Affiliates, licensees or Sublicensees; or

(e) have been independently developed by or for the receiving Party without reference to the disclosing Party's Confidential Information.

10.2.2 Each Party may also disclose Confidential Information as set forth below in this Section 10.2.2. Notwithstanding the disclosures permitted under this Section 10.2.2, any Confidential Information so disclosed shall remain subject to the confidentiality obligations of Section 10.1, unless and until any exceptions described in Section 10.2.1 shall apply. Either Party may disclose the other Party's Confidential Information to the extent such disclosure is made:

(a) in response to a valid order of a court of competent jurisdiction or

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other Governmental Authority or Regulatory Authority or, if in the reasonable opinion of the receiving Party's legal counsel, such disclosure is otherwise required by Applicable Law, including by reason of filing with securities regulators (including the rules and regulations of any stock exchange or trading market on which the disclosing Party's (or its parent's) securities are traded); provided, that the receiving Party shall first have given notice to the disclosing Party and given the disclosing Party a reasonable opportunity to quash such order or to obtain a protective order or confidential treatment requiring that the Confidential Information and documents that are the subject of such order or requirement be held in confidence by such court or agency or, if disclosed, be used only for the purposes for which the order was issued; provided, further, that the Confidential Information disclosed in response to such court or governmental order or Applicable Law shall be limited to that information which is legally required to be disclosed in response to such court or governmental order or Applicable Law (including the rules and regulations of any stock exchange or trading market on which the disclosing Party's (or its parent's) securities are traded);

(b) solely to the extent reasonably necessary in a patent application claiming Patent Rights made hereunder to be filed with the United States Patent and Trademark Office or any similar foreign agency; provided, that the Party filing the patent shall provide at least [***] days' prior written notice of such disclosure to the other Party and take reasonable and lawful actions to avoid or minimize the degree of disclosure;

(c) to a Regulatory Authority, to the extent the receiving Party has a license or right to use the applicable Confidential Information, as reasonably required or useful in connection with any filing, submission or communication with respect to a Licensed Product or exercise of the rights licensed under Section 2.2; provided, that reasonable measures shall be taken to assure confidential treatment of such information, to the extent such protection is available;

(d) to a Sublicensee as permitted hereunder including any Sublicensee of the rights licensed under Section 2.2, to the extent the receiving Party has a license or right to use the applicable Confidential Information; provided, that such Sublicensee is then subject to obligations of confidentiality and limitations on use of such Confidential Information substantially similar to those contained herein and the applicable Party otherwise complies with Sections 2.2 and 2.4;

(e) by either Party or any of its Affiliates or Sublicensees, to the extent the receiving Party has a license or right to use the applicable Confidential Information, to an actual or potential Third Party Manufacturing, Development or Commercialization collaborator, contractor or partner with respect to a Licensed Product, with respect to exercise of the rights licensed under Section 2.2 or otherwise as may be necessary or useful in connection with its exercise of rights or performance of obligations hereunder (including in connection with any litigation with respect thereto); provided, that such Third Party recipient is, if practicable, then subject to obligations of confidentiality and limitations on use of such Confidential Information substantially similar to those contained herein;

(f) by Licensee or to an actual or potential investor in, acquirer of, or underwriter or placement agent for, the business to which this Agreement relates; provided, that

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(x) such Third Party recipient is then subject to obligations of confidentiality and limitations on use of such Confidential Information substantially similar to those contained herein and (y) Licensee shall provide at least [***] Business Days' prior notice (or such shorter period as Licensee may reasonably request and which request Mersana shall use reasonable efforts to accommodate) of (including a copy of) any such proposed disclosure to Mersana and shall not make any such disclosure without first obtaining Mersana's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) with respect thereto in each instance (it being understood that if consent with respect to a specific disclosure is given by Mersana with respect to a particular type of audience of Third Parties (e.g., investors not affiliated with a pharmaceutical company), Licensee may subsequently make such specific disclosure to another member of such audience consistent with such consent without obtaining specific consent from Mersana in such instance); and

(g) By Mersana to actual or potential strategic partners, investors, acquirers, underwriters or placement agents, provided that such Third Party recipient is then subject to obligations of confidentiality and limitations on use of such Confidential Information substantially similar to those contained herein and (y) Mersana shall provide at least [***] Business Days' prior notice (or such shorter period as Mersana may reasonably request and which request Licensee shall use reasonable efforts to accommodate) of (including a copy of) any such proposed disclosure to Licensee and shall not make any such disclosure without first obtaining Licensee's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) with respect thereto in each instance (it being understood that if consent with respect to a specific disclosure is given by Licensee with respect to a particular type of audience of Third Parties (e.g., investors not affiliated with a pharmaceutical company), Mersana may subsequently make such specific disclosure to another member of such audience consistent with such consent without obtaining specific consent from Licensee in such instance).

10.2.3 Notwithstanding anything to the contrary in this Agreement, in connection with any offering of any security of Mersana, including the IPO, Mersana may disclose topline results from the Development of a Licensed Product that are the Confidential Information of Licensee in any registration statement, prospectus or other offering materials provided to prospective investors in such offering to the extent the manner of disclosure of such Confidential Information is in compliance with Applicable Law and subject to customary confidentiality restrictions in the case of any private placement, provided that Mersana shall provide at least [***] Business Days' prior notice (or such shorter period as Mersana may reasonably request and which request Licensee shall use reasonable efforts to accommodate) of (including a copy of) any such proposed disclosure to Licensee and (a) shall consider in good faith any comments received from Licensee on such proposed disclosure, (b) shall remove any Confidential Information from such proposed disclosure if Licensee believes in good faith based on the advice of counsel that the disclosure of such Confidential Information in the proposed disclosure would violate Applicable Law and (c) shall remove any information from such proposed disclosure if Licensee believes in good faith based on the advice of counsel that the disclosure of such information in the proposed disclosure could reasonably be expected to be considered by an applicable Regulatory Authority as promotion of a product in violation of Applicable Law.

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10.3 Press Releases and Other Disclosures to Third Parties.

10.3.1 Upon occurrence of the Effective Date, the Parties shall promptly issue an initial joint press release mutually agreed upon by the Parties and substantially in the form attached hereto as Schedule 10.3.1.

10.3.2 Except as provided above in Section 10.3.1, neither Mersana nor Licensee will, without the prior consent of the other, issue any press release or make any other public announcement or furnish any statement to any person or entity (other than either Parties' respective Affiliates) concerning the existence of this Agreement, its terms and the transactions contemplated hereby, except for (a) disclosures made in compliance with Sections 10.1, 10.2, and10.5, (b) disclosures made to attorneys, consultants, and accountants retained to represent the Parties in connection with the negotiation and consummation of the transactions contemplated hereby, (c) to the extent either Party may be listed on a stock exchange, disclosures may be made as required, in the opinion of such Party's counsel, by Applicable Law or the rules of such stock exchange, provided that the other Party shall have the opportunity to review and comment on such disclosure, and provided further than neither Party shall disclose Net Sales of the other Party without the other Party's consent and (d) press releases by a Party regarding its activities under this Agreement with respect to a Licensed Product, provided that (i) a draft of the press release is provided to the other Party at least [***] days (or [***] days in the event of a joint press release) prior to the release of such press release for the other Party's review and comment (which comments shall not be unreasonably rejected), and (ii) the other Party is promptly provided a courtesy copy of such press release. The Parties shall coordinate regarding the timing of any release, and regarding whether any release will made by a single Party or jointly by both Parties. The structure and contents of any press release shall be kept confidential until such press release is made publically available. Neither Party shall be required to seek the permission of the other Party to repeat any information regarding the terms of this Agreement or either Party's activities under the Global Development Plan that has already been publicly disclosed by such Party, or the other Party, in accordance with this Section 10.3.

10.4 Use of Name. Except as expressly provided herein, with respect to a Party and its Affiliates, neither Party shall mention or otherwise use the name, logo or trademark of the other Party or any of its Affiliates or any of its or their Sublicensees (or any abbreviation or adaptation thereof) (including any Licensed Product Trademark) in any publication, press release, marketing and promotional material or other form of publicity without the prior written consent of such other Party, other than in the case that the first Party or its Affiliate is a party to a separate written agreement with such Party or any of its Affiliates or any of its or their Sublicensees, in which case, such Party or its Affiliate may mention or otherwise use the name, logo or trademark of such other party if and to the extent permitted by such separate written agreement. The restrictions imposed by this Section 10.4 shall not prohibit (a) Licensee from making any disclosure identifying Mersana to the extent required in connection with its exercise of its rights or obligations under this Agreement or (b) either Party from making any disclosure identifying the other Party that is required by Applicable Law or the rules of a stock exchange on which the securities of the disclosing Party are listed (or to which an application for listing has been submitted).

10.5 **Publications**. The Joint Development Committee shall prepare and approve a publication plan, which may be reviewed and amended from time to time, with respect to Licensed Products and the studies carried out under this Agreement. Neither Party may publish,

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or otherwise publicly present or announce results of the Development of Licensed Products hereunder either orally or in writing (a "**Publication**") without complying with the provisions of this Section 10.5, and neither Party shall make a Publication that materially conflicts with the publication plan. A Party wishing to make a Publication will provide the non-publishing Party with a copy of the proposed Publication. The non-publishing Party shall have [***] Business Days from receipt of a proposed Publication to provide comments or proposed changes to the publishing Party. The publishing Party shall consider in good faith and take into account the comments or proposed changes made by the non-publishing Party on any Publication and shall agree to designate employees or others acting on behalf of the non-publishing Party as co-authors on any Publication describing results to which such persons have contributed in accordance with standards applicable to authorship of scientific publications. If the non-publishing Party reasonably determines that the publishing of the Publication would result in the public disclosure of any Know-How which is the non-publishing Party's Confidential Information or of any patentable invention upon which a patent application should be filed prior to any such disclosure, the publishing Party shall delay or prevent the disclosure of the Publication to Third Parties as follows: (a) with respect to Know-How which is the Confidential Information of such non-publishing Party, such Know-How shall be deleted from the Publication; and (b) with respect to a patentable invention, such disclosure of such Publication shall be delayed for such period as may be reasonably necessary for to permit the drafting and filing of a patent application covering such invention, provided such additional period shall not exceed [***] Business Days from the date the publishing Party first provided the proposed Publication to the non-publishing Party. Notwithstanding anything to the contrary in the foregoing, with respect to any Publications by investigators or other Third Parties, such materials shall be subject to review under this Section 10.5 only to the extent that Licensee has the right and ability (after using Commercially Reasonable Efforts) to do so.

10.6 **Return of Confidential Information**. Upon the effective date of the termination of this Agreement for any reason, with respect to Confidential Information to which such non-requesting Party does not retain rights under the surviving provisions of this Agreement each Party shall, upon and in accordance with the other Party's request in writing, either: (a) promptly destroy all copies of such Confidential Information in the possession or control of the non-requesting Party and confirm such destruction in writing to the requesting Party; or (b) promptly deliver to the requesting Party, at the non-requesting Party's sole cost and expense, all copies of such Confidential Information in the possession or control of the non-requesting Party. Notwithstanding the foregoing, the non-requesting Party shall be permitted to retain such Confidential Information (x) to the extent necessary or useful for purposes of performing any continuing obligations or exercising any ongoing rights hereunder and, in any event, a single copy of such Confidential Information for archival purposes and (y) any computer records or files containing such Confidential Information that have been created solely by such non-requesting Party's automatic archiving and back-up procedures, to the extent created and retained in a manner consistent with such non-requesting Party's standard archiving and back-up procedures, but not for any other uses or purposes. All Confidential Information shall continue to be subject to the terms of this Agreement for the period set forth in Section 10.1.

ARTICLE 11 - INVENTIONS AND PATENTS

11.1 **Disclosure of Inventions**. Licensee shall promptly disclose to Mersana the

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making, conception or reduction to practice by or on behalf of Licensee of any Know-How in conducting the Collaboration Activities that, if Controlled by Mersana, would be Mersana Platform Know-How and any Patent Rights claiming such Know-How, Licensee Product Technology, Licensee Other Technology, and Joint Technology (but not any Patent Right owned or Controlled by Licensee prior to the Effective Date or based on work done outside the scope of the Collaboration Activities). Mersana shall promptly disclose to Licensee the making, conception or reduction to practice by or on behalf of Mersana of any Mersana Product Technology, Mersana Other Technology, and Joint Technology.

11.2 **Ownership of Intellectual Property**.

11.2.1 **Licensee Product Technology and Licensee Other Technology**. As between the Parties, Licensee shall own, and, subject to the licenses and rights of reference granted in Article 2, retain all right, title and interest in and to any and all Licensee Product Technology and Licensee Other Technology.

11.2.2 **Mersana Product Technology, Mersana Platform Technology, and Mersana Other Technology**. As between the Parties, Mersana shall own and, subject to the licenses and rights of reference granted in Article 2, retain all right, title and interest in and to any and all Mersana Product Technology, Mersana Platform Technology, and Mersana Other Technology. Any Know-How that, if Controlled by Mersana, would be Mersana Platform Know-How, that is invented, conceived or developed by or on behalf of Licensee, its Affiliates, licensees or Sublicensees in conducting the Collaboration Activities and any Patent Right claiming any such Know-How (but not any Patent Right owned or Controlled by Licensee prior to the Effective Date or based on work done outside the scope of the Collaboration Activities) shall be owned by and assigned to Mersana in accordance with Section 11.2.4 and shall be Mersana Platform Know-How and Mersana Platform Patent Rights respectively.

11.2.3 **Joint Technology**. As between the Parties, the Parties shall each own an equal, undivided interest in any and all Joint Technology. Subject to the licenses and rights of reference granted in Article 2, each Party shall have the right to Exploit the Joint Technology without a duty of seeking consent of or accounting to the other Party (other than any amounts due hereunder with respect to the Exploitation of Licensed Products); provided, that neither Party shall have the right to disclose (except as provided in Section 10.2) or license (except as may be permitted under Article 2) any Joint Know-How without the consent of the other Party.

11.2.4 United States Law; Assignment of Rights.

(a) Except as set forth in Section 11.2.2, the determination of whether Know-How, improvements and inventions are conceived, discovered, developed or otherwise made by a Party for the purpose of allocating proprietary rights (including Patent Rights, copyright or other intellectual property rights) therein, shall, for purposes of this Agreement, be made in accordance with Applicable Law in the United States as such law exists as of the Effective Date irrespective of where or when such conception, discovery, development or making occurs.

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(b) Each Party shall, and does hereby, assign, and shall cause its Affiliates, licensees and Sublicensees to so assign, to the other Party without additional compensation, such right, title and interest in and to any Know-How and Patent Rights with respect thereto, as is necessary to fully effect, as applicable, (a) the sole ownership provided for in Section 11.2.1 and 11.2.2 and (b) the joint ownership provided for in Section 11.2.3.

11.3 Patent Prosecution Activities.

11.3.1 Mersana Patent Rights. Mersana shall have the initial right, but not the obligation, to conduct Patent Prosecution Activities with respect to Mersana Patent Rights on a worldwide basis at Mersana's sole expense. If Mersana intends not to conduct or continue to conduct the Patent Prosecution Activities with respect to a Mersana Product Patent Right or a Mersana Other Patent Right in the Licensee Territory, it will provide written notice to Licensee (which written notice shall be at least [***] days before any relevant deadline with respect to a Mersana Product Patent Right or a Mersana Other Patent Right) of such intent, in which case, Licensee shall have the second right, but not the obligation, to conduct the Patent Prosecution Activities with respect to such Mersana Product Patent Right or Mersana Other Patent Right (a) in the Licensee Territory or (b) if Licensee Manufactures a Licensed Product in a country of Mersana Territory and if such Mersana Product Patent Right or Mersana Other Patent Right Covers Manufacture of such Licensed Product in such country of the Mersana Territory, at Licensee's sole expense; provided that if Mersana has a bona fide strategic reason for abandoning the Patent Prosecution Activities with respect to any Mersana Product Patent Right or Mersana Other Patent Right in a certain country or jurisdiction, Licensee shall not have such second right to conduct Patent Prosecution Activities with respect to such Mersana Product Patent Right or Mersana Other Patent Right in such country or jurisdiction.

11.3.2 Licensee Patent Rights. Licensee shall have the initial right, but not the obligation, to conduct the Patent Prosecution Activities with respect to Licensee Patent Rights on a worldwide basis at Licensee's sole expense. If Licensee intends not to conduct or continue to conduct the Patent Prosecution Activities with respect to a Licensee Product Patent Right or a Licensee Other Patent Right in the Mersana Territory, it will provide written notice to Mersana (which written notice shall be at least [***] days before any relevant deadline with respect to a Licensee Product Patent Right or a Licensee Other Patent Right in the Mersana Territory) of such intent, in which case, notwithstanding the foregoing, Mersana shall have the second right, but not the obligation, to conduct the Patent Prosecution Activities with respect to such Licensee Product Patent Right or Licensee Other Patent Right (a) in the Mersana Territory or (b) if Mersana Manufactures a Licensed Product in a country of Licensee Territory and if such Licensee Product Patent Right or Licensee Other Patent Right Covers Manufacture of such Licensed Product in such country of the Licensee Territory, at Mersana's sole expense; provided that if Licensee has a bona fide strategic reason for abandoning the Patent Prosecution Activities with respect to any Licensee Product Patent Right or Licensee Other Patent Right in a country or jurisdiction, Mersana shall not have such second right to conduct Patent Prosecution Activities with respect to such Licensee Product Patent Right or Licensee Other Patent Right in such country or jurisdiction.

11.3.3 Joint Patent Rights. The Parties shall confer through the Joint Patent Committee and reach consensus on global prosecution strategy for Joint Patent Rights in the best

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interests of Licensed Products throughout the prosecution, including by agreeing on which Party's counsel will prosecute Joint Patent Rights. In the event of both Parties cannot agree on an issue, if the issue concerns Joint Patent Rights only in the Mersana Territory, Mersana shall have the final decision-making authority. On the other hand, if the issue concerns Joint Patent Rights only in the Licensee Territory, Licensee shall have the final decision-making authority. In the event such an issue concerns both a Joint Patent Right in the Mersana Territory and a Joint Patent Right in the Licensee Territory dispute resolution shall escalate to the Joint Steering Committee and then to the dispute resolution procedures set forth in Section 20.3. Prosecution costs for Joint Patent Rights solely related to the Licensee Territory shall be borne by Licensee, prosecution costs for Joint Patent Rights solely related to the Mersana Territory shall be borne by Mersana.

11.3.4 Cooperation. The Parties shall at all times fully cooperate with each other in order to reasonably implement the foregoing provisions of this Section 11.3. Such cooperation may include each Party's execution of necessary legal documents, coordinating filing or prosecution of applications to avoid potential issues during prosecution (including novelty, enablement, estoppel and double patenting and execution of amendments), and the assistance of each Party's relevant personnel. Except as otherwise expressly authorized in this Agreement, Licensee shall not disclose or claim in any patent application, patent or publication any Mersana Confidential Information without first obtaining Mersana's prior written consent. Except as otherwise expressly authorized in this Agreement, Mersana shall not disclose or claim in any patent application, patent or publication any Licensee Confidential Information without first obtaining Licensee's prior written consent. Each Party shall provide prompt and reasonable assistance to the other Party, as requested by the other Party, including, with respect to the Joint Patent Rights, by taking such action as patent holder as is required under any Applicable Law to obtain any Extensions. Prior to exercising a right to abandon Patent Prosecution Activities for bona fide strategic reasons under this Section 11.3, the abandoning Party shall consider the best interests of the applicable Licensed Product, and the abandoning Party shall explain its reasons for any decision to abandon to the Joint Patent Committee.

11.3.5 Common Ownership Under Joint Research Agreements. Notwithstanding anything to the contrary in this Article 11, neither Party shall have the right to make an election under 35 U.S.C. 102(c) when exercising its rights under this Article 11 without the prior written consent of the other Party. With respect to any such permitted election, the Parties shall coordinate their activities with respect to any submissions, filings or other activities in support thereof. The Parties acknowledge and agree that this Agreement is a "joint research agreement" as defined in 35 U.S.C. 100(h).

11.3.6 Joint Patent Committee.

(a) Formation and Composition. Within [***] days of the Effective Date, the Parties will establish a joint patent committee (the "**Joint Patent Committee**") composed of [***] appointed [***] of each of Licensee and Mersana. A Party may at any time, by written notice to the other Party's representative on the Joint Patent Committee, change its representative on the Joint Patent Committee or elect to be represented by a delegate at a meeting of the Joint Patent Committee. The Joint Patent Committee will be chaired by [***]. The Parties may allow additional employees to attend meetings of the Joint Patent Committee subject to the

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confidentiality provisions of Article 10.

(b) Functions and Authority. The Joint Patent Committee will be responsible for only the following:

(1) Selecting mutually agreeable outside counsel to conduct Patent Prosecution Activities with respect to the Joint Patent Rights; provided that only one Party shall be the client of such outside counsel, such represented Party selected by the Joint Patent Committee;

(2) Overseeing and coordinating Patent Prosecution Activities with respect to the Mersana Product Patent Rights, Mersana Other Patent Rights, Licensee Patent Rights, and the Joint Patent Rights;

(3) Subject to Section 11.3.1, discussing and providing Licensee with the overall patent prosecution strategy determined by Mersana for, the reasonable opportunity to comment with respect to all material steps with regard to Patent Prosecution Activities with respect to, the Mersana Product Patent Rights and Mersana Other Patent Rights, which comments will be considered in good faith by Mersana;

(4) Subject to Section 11.3.2, discussing and providing Mersana with the overall patent prosecution strategy determined by Licensee for, the reasonable opportunity to comment with respect to all material steps with regard to Patent Prosecution Activities with respect to, the Licensee Patent Rights, which comments will be considered in good faith by Licensee;

(5) Coordinating with the Parties in accordance with Section 11.3.4 to reasonably avoid creating potential issues in prosecution of the patent applications covering each Party's other respective Patent Rights;

(6) Subject to Section 11.4.10, discussing and determining activities relating to Extensions of any Licensee Patent Right, Mersana Patent Right or Joint Patent Right based on a Licensed Product; provided that except with respect to Mersana Platform Patent Rights in the Licensee Territory (which are governed by Section 11.4.10) each Party shall have final decision-making authority for such activities in its own territory; and

(7) Such other matters as the Parties may mutually agree in

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writing.

(c) The prosecuting Party, or its outside counsel, shall promptly inform the non-prosecuting Party of all relevant matters that come to its attention that may affect the preparation, filing, prosecution, or maintenance of the applicable Patent Rights, including by copying the non-prosecuting Party on all material communications and correspondence to and from patent offices in the applicable prosecution territory regarding preparation, filing, prosecution and maintenance of the applicable Patent Rights and forwarding to the non-prosecuting Party any patent office actions and decisions regarding applicable Patent Rights in a timely manner and in all cases within [***] days of the receipt of such patent office action or decision and at least [***] days before any action needs to be taken in response to such patent office action or decision. The Parties acknowledge and agree that the Parties shall confer in good faith regarding any decisions regarding patent prosecution or maintenance of applicable Patent Rights. The prosecuting Party shall make a good faith effort to incorporate comments and suggestions received in a timely manner from the non-prosecuting Party into such prosecution or maintenance. The prosecuting Party shall not make decisions or pursue actions regarding prosecution and maintenance of applicable Patent Rights adverse to the non-prosecuting Party without first entering into good faith discussions with the non-prosecuting Party. The prosecuting Party shall allow the non-prosecuting Party to review and provided written comments on actions regarding applicable Patent Rights, and shall consider such written comments in good faith. Notwithstanding the foregoing, the requirements above in this Section 11.3.6(c) shall not apply to Mersana Platform Patent Rights. However, at each meeting of the Joint Patent Committee but no

more than quarterly, the Joint Patent Committee shall discuss Mersana's patent prosecution strategy with respect to the Mersana Platform Patent Rights and Mersana shall provide status updates with respect to the prosecution of the Mersana Platform Patent Rights.

(d) **Meetings**. During the Term of this Agreement, the Joint Patent Committee will meet in person or by teleconference or videoconference when and as reasonably requested by a representative to the Joint Patent Committee at least [***] and as reasonably requested by a representative.

(e) **Decisions**. The Joint Patent Committee will seek to make all decisions by consensus. In the event that the Joint Patent Committee cannot agree on an issue that is subject to its decision-making authority, the prosecuting Party shall have final decision-making authority, provided that such prosecuting Party shall act in a manner not inconsistent with the patent strategy set by the Party that owns the Patent Right being prosecuted (i.e. to the extent relating to a Licensee Patent Right, the patent strategy set by Licensee and to the extent relating to a Mersana Patent Right the patent strategy set by Mersana). Notwithstanding the foregoing, with regard to a Joint Patent Right, (a) any dispute regarding patent strategy that concerns Joint Patent Rights only in the Mersana Territory, Mersana shall have the final decision-making authority, (b) any dispute regarding patent strategy that concerns Joint Patent Rights only in the Licensee Territory, Licensee shall have the final decision-making authority and (c) any dispute regarding patent strategy that concerns both a Joint Patent Right in the Mersana Territory and a Joint Patent Right in the Licensee Territory, such dispute shall escalate to the [***] and if not resolved by the [***] shall be resolved as set forth in Section 20.3. In no event shall a Party be required to miss a filing deadline or equivalent deadline in connection any Patent Prosecution Activity due to compliance with the dispute resolution provisions of this

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Section 11.3.6(e).

(f) **Minutes and Reports**. The Joint Patent Committee will draft, distribute and maintain accurate minutes of its meetings, including with respect to all proposed decisions and recommended actions or decisions taken, in accordance with policies to be agreed by the Joint Patent Committee.

(g) **Duration**. Unless earlier terminated by mutual written consent of the Parties, the Joint Patent Committee will be in existence until the expiration of the last Mersana Product Patent Rights, Mersana Other Patent Rights, Licensee Patent Rights, and the Joint Patent Rights.

11.4 **Enforcement of Patent Rights**.

11.4.1 **Mersana Platform Patent Rights**. Mersana shall have the sole right, at its sole expense, but not the obligation, to determine the appropriate course of action to enforce or otherwise abate the infringement of, to take (or refrain from taking) appropriate action to enforce, to control any litigation or other enforcement action, and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to, the Mersana Platform Patent Rights anywhere in the world. To the extent Mersana Platform Technology is reasonably assertable against a product that competes with a Licensed Product (including a Biosimilar/Generic Product) in the Licensee Territory and Mersana elects, in its sole discretion, to assert any Mersana Platform Technology against such product in the Licensee Territory, Mersana shall in good faith discuss the enforcement of such Mersana Platform Technology against such product with Licensee and shall ensure that Mersana's enforcement strategy with respect to the enforcement of such Mersana Platform Technology in the Licensee Territory is consistent with Licensee's enforcement strategy with respect to the enforcement of other Patent Rights in the Licensee Territory. Licensee shall fully cooperate with Mersana in any such action at Mersana's expense, to enforce the Mersana Platform Patent Rights, including being joined as a party to such action if necessary. All monies recovered upon the final judgment or settlement of any such suit to enforce any Mersana Platform Patent Rights shall be retained by Mersana.

11.4.2 **Mersana Product Patent Rights**.

(a) **In the Mersana Territory**. Mersana shall have the first right, at its sole expense, but not the obligation, to determine the appropriate course of action to enforce or otherwise abate the infringement of, to take (or refrain from taking) appropriate action to enforce, to control any litigation or other enforcement action, and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to, the Mersana Product Patent Rights in the Mersana Territory. Mersana shall in good faith consider the interests of the Licensee in conducting the foregoing activities. Licensee shall fully cooperate with Mersana in any such action at Mersana's expense, to enforce the Mersana Product Patent Rights, including being joined as a party to such action if necessary. In the event that Licensee Manufactures a Licensed Product in a country in the Mersana Territory wherein enforcement action takes place in such country in the Mersana Territory and the enforcement action is with respect to Mersana Product Patent Rights Covering Manufacture of such Licensed Product in such country, enforcement decisions with regard to the Mersana Product Patent Rights shall be

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made by consensus between the Parties, with escalation to the [***] in the event of a disagreement between the Parties which is not resolved within [***] days, and then to the designated executives of the Parties as set forth in Section 20.3.3 if the [***] is unable to resolve such disagreement within a further period of [***] days, with Mersana's designated executive having final decision-making authority. In the event that Licensee Manufactures a Licensed Product in a country in the Mersana Territory wherein infringement takes place in such country in the Mersana Territory and the infringement is with respect to Mersana Product Patent Rights Covering Manufacture of such Licensed Product in such country, if Mersana does not commence and pursue any such action with respect to the Mersana Product Patent Rights in the Mersana Territory, the Parties shall confer within [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights) of being notified or otherwise becoming aware of the facts giving rise to such actions. In the event that Mersana

declines to commence and pursue any such action with respect to the Mersana Product Patent Rights in the Mersana Territory for a further [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights), Licensee may, at its expense, commence any such action, except that, where Mersana has a bona fide strategic reason not to commence or pursue such action and complies with Section 11.4.7, Licensee shall not have the right to commence such action.

(b) **In the Licensee Territory**. Licensee shall have the initial right, at its sole expense, to determine the appropriate course of action to enforce or otherwise to abate the infringement of, to take (or refrain from taking) appropriate action to enforce, to control any litigation or other enforcement action, and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to, the Mersana Product Patent Rights in the Licensee Territory. If Licensee does not commence and pursue any such action, the Parties shall confer with [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights) of being notified or otherwise becoming aware of the facts giving rise to such actions. In the event that Licensee declines to commence and pursue any such action for a further [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights), Mersana may, at its expense, commence any such action.

11.4.3 **Mersana Other Patent Rights**.

(a) **In the Mersana Territory**. Mersana shall have the first right, at its sole expense, but not the obligation, to determine the appropriate course of action to enforce or otherwise abate the infringement of, to take (or refrain from taking) appropriate action to enforce, to control any litigation or other enforcement action, and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to, the Mersana Other Patent Rights in the Mersana Territory. Mersana shall in good faith consider the interests of the Licensee in conducting the foregoing activities. Licensee shall fully cooperate with Mersana in any such action at Mersana's expense, to enforce the Mersana Other Patent Rights, including being joined as a party to such action if necessary. In the event that Licensee Manufactures a Licensed Product in a country in the Mersana Territory wherein enforcement action takes place in such country in the Mersana Territory and the enforcement action is with respect to Mersana Other Patent Rights Covering Manufacture of such Licensed Product in such country, enforcement decisions with regard to the Mersana Other Patent Rights shall be made by

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consensus between the Parties, with escalation to the [***] in the event of a disagreement between the Parties which is not resolved within [***] days, and then to the designated executives of the Parties as set forth in Section 20.3.3 if the [***] is unable to resolve such disagreement within a further period of [***] days, with [***] having final decision-making authority. In the event that Licensee Manufactures a Licensed Product in a country in the Mersana Territory wherein infringement takes place in such country in the Mersana Territory and the infringement is with respect to Mersana Other Patent Rights Covering Manufacture of such Licensed Product in such country, if Mersana does not commence and pursue any such action with respect to the Mersana Other Patent Rights in the Mersana Territory, the Parties shall confer within [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights) of being notified or otherwise becoming aware of the facts giving rise to such actions. In the event that Mersana declines to commence and pursue any such action with respect to the Mersana Other Patent Rights in the Mersana Territory for a further [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights), Licensee may, at its expense, commence any such action, except that, where Mersana has a bona fide strategic reason not to commence or pursue such action and complies with Section 11.4.7, Licensee shall not have the right to commence such action.

(b) **In the Licensee Territory**. Licensee shall have the initial right, at its sole expense, to determine the appropriate course of action to enforce or otherwise to abate the infringement of, to take (or refrain from taking) appropriate action to enforce, to control any litigation or other enforcement action, and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to, the Mersana Other Patent Rights in the Licensee Territory in connection with a Third Party's Exploitation of a product that is competitive with a Licensed Product. Licensee shall in good faith consider the interests of Mersana in conducting the foregoing activities. Mersana shall fully cooperate with Licensee in any such action at Mersana's expense, to enforce the Mersana Other Patent Rights in the Licensee Territory, including being joined as a party to such action if necessary. If Licensee does not commence and pursue any such action against a Third Party that is Exploiting a product that is competitive with a Licensed Product, the Parties shall confer within [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights) of being notified or otherwise becoming aware of the facts giving rise to such actions. In the event that Licensee declines to commence and pursue such action for a further [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights), Mersana may, at its expense, commence any such action, except that, where Licensee has a bona fide strategic reason not to commence or pursue such action and complies with Section 11.4.7, Mersana shall not have the right to commence such action.

11.4.4 **Licensee Product Patent Rights**.

(a) **In the Mersana Territory**. Mersana shall have the initial right, at its sole expense, to determine the appropriate course of action to enforce or otherwise to abate the infringement of, to take (or refrain from taking) appropriate action to enforce, to control any litigation or other enforcement action, and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to, the Licensee Product Patent Rights in the Mersana Territory. Mersana shall in good faith consider the interests of the Licensee in conducting the foregoing activities. Licensee shall fully cooperate with Mersana in any such

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action at Mersana's expense, to enforce the Licensee Product Patent Rights, including being joined as a party to such action if necessary. If Mersana does not commence and pursue any such action, the Parties shall confer within [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights) of being notified or otherwise becoming aware of the facts giving rise to such actions. In the event that Mersana declines to

commence and pursue any such action for a further [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights), Licensee may, at its expense, commence any such action. In the connection with any actual or potential enforcement action under this Section 11.4.4(a), both Parties shall confer with each other and reach consensus on enforcement strategy. In the event consensus cannot be reached, the enforcing Party shall have final decision-making authority.

(b) **In the Licensee Territory**. Licensee shall have the initial right, at its sole expense, to determine the appropriate course of action to enforce or otherwise to abate the infringement of, to take (or refrain from taking) appropriate action to enforce, to control any litigation or other enforcement action, and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to, the Licensee Product Patent Rights in the Licensee Territory. If Licensee does not commence and pursue any such action, the Parties shall confer with [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights) of being notified or otherwise becoming aware of the facts giving rise to such actions. In the event that Licensee declines to commence and pursue any such action for a further [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights), Mersana may, at its expense, commence any such action, except that, where Licensee has a bona fide strategic reason not to commence or pursue such action and complies with Section 11.4.7, Mersana shall not have the right to commence such action.

11.4.5 **Licensee Other Patent Rights**.

(a) **In the Mersana Territory**. Mersana shall have the initial right, at its sole expense, to determine the appropriate course of action to enforce or otherwise to abate the infringement of, to take (or refrain from taking) appropriate action to enforce, to control any litigation or other enforcement action, and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to, the Licensee Other Patent Rights in the Mersana Territory in connection with a Third Party's Exploitation of a product that is competitive with a Licensed Product. Mersana shall in good faith consider the interests of Licensee in conducting the foregoing activities. Licensee shall fully cooperate with Mersana in any such action at Licensee's expense, to enforce the Licensee Other Patent Rights in the Mersana Territory, including being joined as a party to such action if necessary. If Mersana does not commence and pursue any such action against a Third Party that is Exploiting a product that is competitive with a Licensed Product, the Parties shall confer within [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights). In the event that Mersana declines to commence and pursue any such action for a further [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights), of being notified or otherwise becoming aware of the facts giving rise to such actions, Licensee may, at its expense, commence any such action; provided that

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where Mersana has a bona fide strategic reason not to commence or pursue such action and complies with Section 11.4.7, Licensee shall not have the right to commence such action.

(b) **In the Licensee Territory**. Licensee shall have the initial right, at its sole expense, to determine the appropriate course of action to enforce or otherwise to abate the infringement of, to take (or refrain from taking) appropriate action to enforce, to control any litigation or other enforcement action, and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to, the Licensee Other Patent Rights in the Licensee Territory. If Licensee does not commence and pursue any such action against a Third Party that is Exploiting a product that is competitive with a Licensed Product, the Parties shall confer with [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights) of being notified or otherwise becoming aware of the facts giving rise to such actions. In the event that Licensee declines to commence and pursue any such action for a further [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights), Mersana may, at its expense, commence any such action; provided that where Licensee has a bona fide strategic reason not to commence or pursue such action and complies with Section 11.4.7, Mersana shall not have the right to commence such action.

11.4.6 **Joint Patent Rights**.

(a) **In the Mersana Territory**. Mersana shall have the initial right, at its sole expense, to determine the appropriate course of action to enforce or otherwise to abate the infringement of, to take (or refrain from taking) appropriate action to enforce, to control any litigation or other enforcement action, and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to, the Joint Patent Rights in the Mersana Territory. If Mersana does not commence and pursue any such action, the Parties shall confer within [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights) of being notified or otherwise becoming aware of the facts giving rise to such actions. If after a further [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights), Mersana does not commence such action, Licensee may, at its expense, commence any such action.

(b) **In the Licensee Territory**. Licensee shall have the initial right, at its sole expense, to determine the appropriate course of action to enforce or otherwise to abate the infringement of, to take (or refrain from taking) appropriate action to enforce, to control any litigation or other enforcement action, and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to, the Joint Patent Rights in the Licensee Territory. If Licensee does not commence and pursue any such action, the Parties shall confer within [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights) of being notified or otherwise becoming aware of the facts giving rise to such actions. If after a further [***] days (or such shorter period of time as required by Applicable Law to avoid loss of material enforcement rights) Licensee does not commence such action, Mersana may, at its expense, commence any such action.

11.4.7 **Enforcement Procedures**. Prior to exercising a right to block a Party with a second enforcement right from initiating an enforcement action for bona fide strategic reasons

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under this Section 11.4, the blocking Party shall consider the best interests of the applicable Licensed Product, and the blocking Party shall explain its reasons for any decision to abandon to the Joint Patent Committee. Each Party shall fully cooperate with the other Party in any action under this Section 11.4 at the initiating Party's expense, and shall join in such action as a party at the initiating Party's request and expense in the event that an adverse party asserts, the court rules or other Applicable Laws provide, or the initiating Party determines in good faith, that a court would lack jurisdiction based on the non-initiating Party's absence as a party in such suit, but control of such action shall remain with the initiating Party. In these instances, the Party initiating the infringement suit shall indemnify the non-initiating Party against any order for costs that may be made against the non-initiating Party in such proceedings. The initiating Party will keep the non-initiating Party reasonably informed of the status of the infringement suit. Except as otherwise provided in this Section 11.4, all monies recovered upon the final judgment or settlement of any such suit to enforce any Patent Rights shall be allocated (i) first to the initiating Party to the extent necessary to compensate it for its expenses in its enforcement, (ii) second to the non-initiating Party to the extent necessary to compensate it for its expenses in cooperating with the initiating Party in its enforcement, (iii) third, any remainder attributable to [***], and (iv) fourth, any remainder thereafter shall be [***]; provided, that to the extent that any amount allocated to Licensee under clause [***]; provided, further, that for purposes of determining whether [***], any such recovery shall be allocated (a) [***] and (b) [***]. The Parties may consult with one another on all material aspects of any action under this Section 11.4. Neither Party shall settle any claims or suits involving rights of another Party (or rights of such Party to the extent they are licensed to such other Party) without obtaining the prior written consent of such other Party, which consent shall not be unreasonably withheld.

11.4.8 **Notification of Infringement**. In the event either Party becomes aware of an infringement by a Third Party that is Developing, Manufacturing or Commercializing any pharmaceutical product intended for treatment of an Indication for which a Licensed Product has been approved of a (i) Mersana Patent Right, (ii) Licensee Patent Right, or (iii) Joint Patent Right, in each case ((i), (ii) or (iii)), which would, but for ownership of or the grant of a license to such Patent Right, be infringed by the Exploitation of a Licensed Product, it shall promptly notify the other Party. In no event shall a Party make an argument or settle a dispute that would render a claim in a Joint Patent Right to be invalid or unenforceable without the other Party's prior written consent.

11.4.9 **Biosimilars**. Without limiting Sections 11.4.1 through 11.4.6, in order to facilitate the intent of Sections 11.4.1 through 11.4.6, if either Party receives a copy or otherwise becomes aware of a Biosimilar Application under Section 351(l)(1)(B)(iii) of the PHSA (or other Applicable Law in the relevant jurisdiction) referencing a Licensed Product, the Parties shall coordinate in good faith with regard to any relevant Mersana Patent Rights, Licensee Patent Rights or Joint Patent Rights, in order to (i) allow access for both Parties, to the extent permitted under Section 351(l)(1)(B) and Section 351(l)(1)(C) of the PHSA, to those aspects of the Biosimilar Application relating to the Mersana Patent Rights, Licensee Patent Rights or Joint Patent Rights and related confidential information from the filer, (ii) coordinate regarding the designation pursuant to Section 351(l)(1)(B)(ii) of the PHSA of the outside counsel and in-house counsel who shall receive confidential access to the Biosimilar Application, (iii) agree regarding the listing of any Mersana Patent Rights, Licensee Patent Rights or Joint Patent Rights, as required pursuant to Section 351(l)(1)(3)(A) or Section 351(l)(7) of the PHSA, (iv) respond to

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any communications with respect to such lists from the filer of the Biosimilar Application, (v) negotiate with the filer of the Biosimilar Application as to whether to utilize a different mechanism for information exchange other than that specified in Section 351(l)(1) of the PHSA, (vi) allow the Party with the right to control such action under Sections 11.4.1 through 11.4.6 (such Party the "**Controlling Party**") to make any decision regarding whether any Mersana Patent Rights, Licensee Patent Rights or Joint Patent Rights will be subject to the initial litigation procedure as described in Section 351(l)(1)(4), and (vii) allow the Controlling Party to decide whether to commence such litigation with respect to the Mersana Patent Rights, Licensee Patent Rights or Joint Patent Rights under Section 351(l)(1)(6), and take any equivalent or similar action with regard to any equivalent or similar listing with respect to the Mersana Patent Rights, Licensee Patent Rights or Joint Patent Rights. If required pursuant to Applicable Law, upon the Controlling Party's request, the other Party shall execute these tasks after consulting with the Controlling Party. Upon the Controlling Party's reasonable request, the other Party shall cooperate with the Controlling Party in connection with the Controlling Party's exercise of its rights under this Section 11.4.9, to the extent required or permitted by Applicable Law, and the Controlling Party shall consider in good faith advice and suggestions with respect thereto received from the other Party, and notify the other Party of any lists or communications promptly after they are made. After either Party receives any notice of commercial marketing provided by the filer of a Biosimilar Application pursuant to Section 351(l)(8)(A) of the PHSA, such receiving Party shall promptly notify the other Party. To the extent permitted by law, the Controlling Party shall have the right to seek an injunction against such commercial marketing as permitted pursuant to Section 351(l)(8)(B) of the PHSA and to file an action for infringement. If permitted by Applicable Law, upon the Controlling Party's request, the other Party shall assist in seeking such injunction or filing such infringement action after consulting with the Controlling Party.

11.4.10 **Extensions**. Both Parties shall confer through the Joint Patent Committee to decide on Extension strategy (including relating to supplemental protection certificates or their equivalents) of any Licensee Patent Right, Mersana Patent Right or Joint Patent Right based on a Licensed Product, and activities implementing such strategy, and in the event consensus cannot be reached, each Party has the right to make final decision on such strategy or activities in such Party's own territory except with respect to Mersana Platform Patent Rights in the Licensee Territory. If a Mersana Platform Patent Right may be extended more than once (e.g., based on a different product) under Applicable Law in a country in the Licensee Territory, Licensee shall have the right to make the final decision with respect to the extension of such Mersana Platform Patent Right based on a Licensed Product in such country. If a Mersana Platform Patent Right may be extended only once (regardless of whether it is based on the same or a different product) under Applicable Law in a country in the Licensee Territory, Mersana shall have the right to make the final decision with respect to the extension of such Mersana Platform Patent Right based on a Licensed Product in such country. All filings shall be made by the Party Controlling the Patent Right. Parties shall fully cooperate with each other in making such filings or actions (e.g., making available all required regulatory data and information and executing any required authorizations). All expenses incurred with respect to Extensions based on a Licensed Product shall be borne by the Parties in their respective territories.

11.5 **Separate Representation; Settlement**. The Party not bringing an action with respect to an infringement under this Article 11 shall be entitled to separate representation in

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such matter by counsel of its own choice and at its own expense, but such Party shall at all times cooperate fully with the Party bringing such action; provided that to the extent such separate representation is retained and used in connection with any cooperation provision of this Article 11 or Article 12, the Party bringing such action shall reimburse such cooperating Party for the cost of such counsel, if required under such Articles. In any action taken pursuant to this Article 11, no Party shall admit the invalidity or unenforceability of any Patent Right Controlled by the other Party or enter into any settlement in connection with any such action that imposes any liability on the other Party without the other Party's prior written consent.

ARTICLE 12 - INFRINGEMENT OR OTHER ACTIONS BROUGHT BY THIRD PARTIES

12.1 Third Party Actions.

12.1.1 Disclosure of Third Party Actions. Each Party shall immediately disclose to the other Party in writing any warning letter or other notice of infringement or misappropriation received by a Party, or any action, suit or proceeding brought against a Party alleging infringement of a Patent Right or misappropriation of intellectual property of any Third Party with regard to any aspect of the conduct by either Party, its Affiliates, licensees or Sublicensees pursuant to this Agreement (each, a "**Third Party Action**").

12.1.2 Mersana Right to Defend. Subject to Section 15.1, Mersana, at its own expense and through counsel of its choosing, shall have the sole right, but not the obligation to defend against any Third Party Action in the Mersana Territory alleging that the Development, Manufacture, Commercialization or other Exploitation of one or more Licensed Products infringes or misappropriates a Third Party's intellectual property rights. Mersana shall have the sole and exclusive right to select counsel for such Third Party Action. Notwithstanding the foregoing, Licensee may retain its own counsel to represent Licensee with respect to such Third Party Action at Licensee's sole cost and expense.

12.1.3 Licensee Right to Defend. Subject to Section 15.1, Licensee, at its own expense and through counsel of its choosing, shall have the sole right, but not the obligation to defend against any Third Party Action in the Licensee Territory alleging that the Development, Manufacture, Commercialization or other Exploitation of one or more Licensed Products infringes or misappropriates a Third Party's intellectual property rights. Licensee shall have the sole and exclusive right to select counsel for such Third Party Action. Notwithstanding the foregoing, Mersana may retain its own counsel to represent Mersana with respect to such Third Party Action at Mersana's sole cost and expense.

12.1.4 Consultation; Settlement. The Parties may consult with one another on all material aspects of the defense of Third Party Actions. The Parties shall reasonably cooperate with each other in all such actions or proceedings. No Party shall admit the invalidity or unenforceability of any Patent Right Controlled by the other Party or enter into any settlement that will cause the other Party to make any payment without the other Party's prior written consent.

12.2 Invalidity or Unenforceability Defenses or Actions. Each Party, through the

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Joint Patent Committee, shall promptly notify the other Party in writing of any alleged or threatened assertion of invalidity or unenforceability of any of the Mersana Patent Rights, Licensee Patent Rights or Joint Patent Rights by a Third Party of which such Party becomes aware. Upon receipt of any such notice (a) with respect to a Joint Patent Right, the Parties, through the Joint Patent Committee, shall promptly meet to discuss in good faith the most favorable approach to defend against any such allegation in light of each Party's commercial interests therein, including which Party should control the defense of the validity and enforceability of the Joint Patent Rights and the allocation of costs and expenses with respect thereto, (b) with respect to a Mersana Patent Right, Mersana shall control the defense of the validity and enforceability of such Mersana Patent Right at its sole cost and expense, and (c) with respect to a Licensee Patent Right, Licensee shall control the defense of the validity and enforceability of such Licensee Patent Right at its sole cost and expense; provided, that as between the Parties, if any such invalidity or unenforceability of a Mersana Patent Right, Licensee Patent Right or Joint Patent Right is raised as a defense or counterclaim in connection with a Third Party Action initiated pursuant to Section 12.1, the Party controlling such Third Party Action pursuant to Section 12.1.2 or 12.1.3, as applicable, shall have the right, but not the obligation, to defend and control the defense of the validity and enforceability of such Patent Rights at its sole expense in its territory and using counsel of its own choice; provided further, that notwithstanding any other provision of this Section 12.2 as between the Parties, if any such invalidity or unenforceability of a Mersana Patent Right, Licensee Patent Right or Joint Patent Right is raised as a defense or counterclaim in connection with an enforcement action initiated pursuant to Section 11.4, the Party controlling such enforcement action pursuant to Section 11.4, shall have the right, but not the obligation, to defend and control the defense of the validity and enforceability of such Mersana Patent Right, Licensee Patent Right or Joint Patent Right at its sole expense in its territory and using counsel of its own choice. If the controlling Party with respect to a Mersana Patent Right, Licensee Patent Right or Joint Patent Right elects not to defend or control the defense of such Mersana Patent Right, Licensee Patent Right or Joint Patent Right, in a suit brought in its territory or otherwise fails to initiate and maintain the defense of any such claim, suit or proceeding, then the other Party may conduct and control the defense of any such claim, suit or proceeding using counsel of its own choice at its sole cost and expense; provided that exercise of such step-in right is not inconsistent with Section 11.4. Where a Party controls such an action, the other Party shall have the right to participate in any such claim, suit or proceeding with counsel of its choice at its sole cost and expense (provided, that the controlling Party shall retain control of the defense in such claim, suit or proceeding) and shall cause its Affiliates to, assist and cooperate with the controlling Party, at the controlling Party's expense, as such controlling Party may reasonably request from time to time in connection with its activities set forth in this Section 12.2. In connection with any activities with respect to a defense, claim or counterclaim relating to the Joint Patent Rights pursuant to this Section 12.2, the controlling Party shall (x) consult with the other Party as to the strategy for such activities, (y) consider in good faith any comments from the other Party and (z) keep the other Party reasonably informed of any material steps taken and provide copies of all material documents filed, in connection with such defense, claim or counterclaim.

12.3 Third Party Rights. If in the reasonable opinion of a Party, the Development, Manufacture, Commercialization or other Exploitation of one or more Licensed Products hereunder infringes or is reasonably expected to infringe or misappropriate any Third Party IP Rights in any country in its territory, then such Party shall notify the other Party and, Mersana

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shall have the first right, but not the obligation, to negotiate and obtain a license or other rights from such Third Party to such Third Party IP Rights as necessary or desirable to Develop, Manufacture, Commercialize or otherwise Exploit such Licensed Product(s) in such country (sublicensable to Licensee). If Mersana elects not to, within [***] days, obtain such license or other rights under such Third Party IP Rights from such Third Party, then Licensee shall have the right, but not the obligation, to negotiate and obtain such license or other rights under such Third Party IP Rights from such Third Party, provided that any such license or other rights under such Third Party IP Rights from such Third Party shall be sublicensable to Mersana and its Affiliates, licensees, and Sublicensees to enable Mersana and Licensee and their respective Affiliates, licensees, and Sublicensees to Develop, Manufacture, Commercialize and otherwise Exploit such Licensed Product(s) in such country. Upon entry into any such agreement, the contracting Party shall promptly provide a copy of such agreement to the other Party. The non-contracting Party may, but shall not be required to, at any time after it receives such copy, elect to have such Third Party IP Rights included in Mersana Technology, in the case of Licensee or the Licensee Technology, in the case of Mersana; provided that, the non-contracting Party shall reimburse the other Party for all payments owed to any such Third Party to the extent arising out of the non-contracting Party's use of such Third Party IP Rights, and such reimbursed amounts, in the case where Licensee is the reimbursing Party may be deducted from royalties due hereunder in accordance with Section 8.4. The Parties shall cooperate in seeking global licenses; provided that in the event the Parties cannot agree on strategy, each Party may seek and obtain its own license as set forth under this Section 12.3. Licensee shall be responsible for bearing royalties [***] with respect to Licensed Products in the Licensee Territory in accordance with Section 8.4.1.

ARTICLE 13 - REPRESENTATIONS AND WARRANTIES; COVENANTS

13.1 Mutual Representations and Warranties. Each Party hereby represents and warrants, as of the Effective Date, and covenants (as applicable) to the other Party as follows:

(a) Corporate Existence and Power. It is a company or corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is incorporated, and has full corporate power and authority and the legal right to own and operate its property and assets and to carry on its business as it is now being conducted and as contemplated in this Agreement, including the right to grant the licenses granted by it hereunder.

(b) Authority and Binding Agreement. As of the Effective Date, (i) it has the corporate power and authority and the legal right to enter into this Agreement and perform its obligations hereunder; (ii) it has taken all necessary corporate action on its part required to authorize the execution and delivery of the Agreement and the performance of its obligations hereunder; (iii) the Agreement has been duly executed and delivered on behalf of such Party, and constitutes a legal, valid, and binding obligation of such Party that is enforceable against it in accordance with its terms; and (iv) its execution of and performance under this Agreement will not violate or breach any obligation or restriction (including any confidentiality or non-competition obligation or any exclusivity restriction) to which such Party is legally bound by contract, judicial order or otherwise.

(c) No Conflict. It is not a party to any agreement that would prevent it from granting the rights granted to the other Party under this Agreement or performing its

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obligations under the Agreement. It has the full right to grant the licenses or sublicenses (as applicable) granted herein and such grant shall not result in the misappropriation of any Third Party intellectual property or violation of such Third Party's rights with respect thereto. During the Term, it will not enter into any agreement, contract, commitment or other arrangement that could reasonably be expected to conflict with the rights granted to the other Party hereunder or otherwise prevent the other Party from exercising the rights granted to it hereunder. Neither Party shall misappropriate any trade secret of a Third Party in connection with the performance of its activities hereunder.

(d) No Debarment. It shall not use, during the Term, any employee or consultant who has been debarred by any Regulatory Authority, or, to the best of such Party's knowledge, is the subject of debarment proceedings by a Regulatory Authority.

(e) Government Authorizations. It will maintain throughout the Term all permits, licenses, registrations, and other forms of authorizations and approvals from any Governmental Authority, necessary or required to be obtained or maintained by such Party in order for such Party to execute and deliver this Agreement and to perform its obligations hereunder in a manner which complies with all Applicable Laws.

13.2 Additional Representations, Warranties and Covenants of Mersana. Mersana represents and warrants as of the Effective Date as follows:

(a) Non-Infringement of Mersana Patent Rights by Third Parties. To Mersana's knowledge, there are no activities by Third Parties that would constitute infringement of the Mersana Patent Rights anywhere in the world.

(b) Ownership. Mersana Controls the Mersana Technology free and clear of all liens (excluding licenses that do not conflict with the rights granted Licensee hereunder). Mersana has not misappropriated any intellectual property of a Third Party in connection with developing the Mersana Technology or the Development of Licensed Products or its other obligations under this Agreement.

(c) Validity and Enforceability. Mersana has complied in all material respects with all Applicable Laws with respect to the filing, prosecution and maintenance of those Mersana Patent Rights owned by Mersana or otherwise of which Mersana has control of such filing, prosecution and

maintenance (the "**Mersana Prosecution Patent Rights**") and, to Mersana's knowledge, the filing, prosecution and maintenance of all other Mersana Patent Rights has been in compliance in all material respects with all Applicable Laws with respect thereto. Mersana has paid all maintenance and annuity fees with respect to the Mersana Prosecution Patent Rights due and, to Mersana's knowledge, all maintenance and annuity fees with respect to all other Mersana Patent Rights have been paid when due. No dispute regarding inventorship has been alleged or threatened with respect to the Mersana Prosecution Patent Rights or, to Mersana's knowledge, with respect to any other Mersana Patent Rights.

(d) **No Action or Claim**. There (i) are no actual, pending or, to Mersana's knowledge, alleged or threatened, adverse actions, suits, claims, interferences, re-examinations, oppositions, inventorship challenges or formal governmental investigations

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involving the Mersana Technology by or against Mersana or any of its Affiliates, in each case that are in or before any Governmental Authority, and (ii) are no actual, pending or, to Mersana's knowledge, alleged or threatened, adverse actions, suits, claims, interferences, re-examinations, oppositions, inventorship challenges or formal governmental investigations involving the Mersana Technology, in each case that are in or before any Governmental Authority, which if adversely determined would have a material effect upon the ability of Mersana to use or provide the Mersana Technology in connection with the activities to be conducted hereunder, or to fulfil its obligations pursuant to the terms of this Agreement.

(e) **Completeness**. Schedule 1.1.138, Schedule 1.1.143, and Schedule 1.1.146 includes a complete and correct list, in all respects, of all Mersana Patent Rights existing as of the Effective Date. No rights or licenses are required under the Mersana Technology or Mersana Regulatory Documentation for Licensee to Develop, Manufacture or Commercialize Licensed Products as contemplated herein other than those granted under Article 2. Neither Mersana nor any of its Affiliates has previously entered into any agreement, whether written or oral, with respect to or otherwise assigned, transferred, licensed, conveyed or otherwise encumbered its right, title or interest in or to (a) the Mersana Technology or Mersana Regulatory Documentation (including by granting any covenant not to sue with respect thereto) or (b) any Patent Right or other intellectual property or proprietary right that would be Mersana Technology or Mersana Regulatory Documentation, but for such assignment, transfer, license, conveyance or encumbrance, in each case (of (a) and (b)), that is inconsistent with or otherwise diminish the rights and licenses granted to Licensee under this Agreement. To Mersana's knowledge, the use and practice of the Mersana Technology as contemplated hereunder would not infringe any intellectual property rights of any Third Party.

(f) **Manufacturing Agreements**. There are no exclusivity provisions or any other restrictions in any agreement between Mersana or its Affiliates, on the one hand, and any Third Party manufacturer of Licensed Products or any Components, on the other hand, that would limit Licensee's ability to Manufacture Licensed Products or any Components or have Licensed Products or any Components Manufactured.

(g) **Compliance with Applicable Law**. The Development of Mersana Technology has been conducted by Mersana and its Affiliates and its and their subcontractors, in compliance with all Applicable Law in all material respects. Neither Mersana nor any of its Affiliates, nor any of their respective officers, employees or agents, has made an untrue statement of a material fact or fraudulent statement to any Regulatory Authority or failed to disclose a material fact required to be disclosed to any Regulatory Authority. To Mersana's knowledge, the pending applications included in Mersana Patent Rights are being diligently prosecuted in the respective patent offices anywhere in the world in accordance with Applicable Law and Mersana and its Affiliates have presented all relevant references, documents and information of which it and the inventors are aware to the relevant patent examiner at the relevant patent office.

13.3 **Additional Representations, Warranties and Covenants of Licensee**. Licensee represents and warrants as of the Effective Date as follows:

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(a) **Completeness**. Licensee is not aware of any Licensee Product Patent Rights existing as of the Effective Date. No rights or licenses are required under the Licensee Technology or Licensee Regulatory Documentation for Mersana to Develop, Manufacture or Commercialize Licensed Products as contemplated herein other than those granted under Article 2. Neither Licensee nor any of its Affiliates has previously entered into any agreement, whether written or oral, with respect to or otherwise assigned, transferred, licensed, conveyed or otherwise encumbered its right, title or interest in or to (a) the Licensee Technology or Licensee Regulatory Documentation (including by granting any covenant not to sue with respect thereto) or (b) any Patent Right or other intellectual property or proprietary right that would be Licensee Technology or Licensee Regulatory Documentation, but for such assignment, transfer, license, conveyance or encumbrance, in each case ((a) and (b)), that is inconsistent with or otherwise diminish the rights and licenses granted to Mersana under this Agreement. To Licensee's knowledge, the use and practice of the Licensee Technology as contemplated hereunder would not infringe any intellectual property rights of any Third Party.

13.4 **Additional Covenants**.

13.4.1 **Of Mersana**.

(a) Mersana shall not grant a lien on the Mersana Technology to any Third Party or knowingly permit a lien to be imposed on the Mersana Technology (excluding liens that do not conflict with the rights granted Licensee hereunder). Mersana will not misappropriate any intellectual property of a Third Party in connection with developing the Mersana Technology or the performance of the Development of Licensed Products or its other obligations under this Agreement.

(b) Mersana will not enter into any agreement with respect to or otherwise assign, transfer, license, convey or otherwise encumbered its right, title or interest in or to (i) the Mersana Technology or Mersana Regulatory Documentation (including by granting any covenant not to sue with respect thereto) or (ii) any Patent Right or other intellectual property or proprietary right that would be Mersana Technology or Mersana Regulatory Documentation, but for such assignment, transfer, license, conveyance or encumbrance, in each case of (i) and (ii), that is inconsistent with or otherwise diminishes the rights and licenses granted to Licensee under this Agreement. Mersana shall maintain and perform its obligations pursuant to the Adimab Agreement, and pursuant to any other agreement under which Mersana has obtained, or obtains during the Term, an in-license or assignment of any rights in or to the Mersana Technology, and will not amend any such agreement (including, for clarity, the Adimab Agreement) in a manner than adversely affects Licensee's rights hereunder, without having first obtained Licensee's express prior written consent.

(c) Mersana shall use Commercially Reasonable Efforts to prevent the reversion to a Third Party of any Mersana Technology in-licensed from or assigned by such Third Party and in the event that such reversion is threatened or occurs Mersana shall (i) notify Licensee and (ii) use Commercially Reasonable Efforts to enable Licensee to step-into the rights of Mersana, if elected by Licensee, with respect to the applicable in-license or assignment in the case of termination of the in-license.

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13.4.2 **Of Licensee**.

(a) Licensee shall not grant a lien on the Licensee Technology to any Third Party or knowingly permit a lien to be imposed on the Licensee Technology (excluding liens that do not conflict with the rights granted Mersana hereunder). Licensee will not misappropriate any intellectual property of a Third Party in connection with developing the Licensee Technology or the performance of the Development of Licensed Products or its other obligations under this Agreement.

(b) Licensee will not enter into any agreement with respect to or otherwise assign, transfer, license, convey or otherwise encumbered its right, title or interest in or to (i) the Licensee Technology or Licensee Regulatory Documentation (including by granting any covenant not to sue with respect thereto) or (ii) any Patent Right or other intellectual property or proprietary right that would be Licensee Technology or Licensee Regulatory Documentation, but for such assignment, transfer, license, conveyance or encumbrance, in each case of (i) and (ii), that is inconsistent with or otherwise diminishes the rights and licenses granted to Licensee under this Agreement.

13.5 **Additional Covenants of Mersana and Licensee**. Each Party shall comply with all Applicable Laws (including Good Laboratory Practices, Good Clinical Practices, and Good Manufacturing Practices) in the Development, Manufacture, and Commercialization of Licensed Products, and shall require its Affiliates, licensees, and Sublicensees to do the same. In the conduct of Collaboration Activities, each Party and its Affiliates shall and each Party shall use Commercially Reasonable Efforts to require that, licenses, and Sublicenses, as applicable and each of the following's respective employees and agents comply with the following: (i) not offer to make, make, promise, authorize or accept any payment or giving anything of value, including but not limited to bribes, either directly or indirectly to any public official, regulatory authority or anyone else for the purpose of influencing, inducing or rewarding any act, omission or decision in order to secure an improper advantage, or obtain or retain business; and (ii) comply with all anti-corruption and anti-bribery Applicable Law. Each Party shall notify the other immediately upon becoming aware of any material breach of its obligations under this Section 13.5. Each Party shall require each of its Affiliates, licenses, sublicensees and Sublicenses, as applicable, to require each of its employees and agents, who will perform Collaboration Activities, to participate in anti-corruption training.

13.6 **Standstill Agreement**. Commencing upon the earlier of (A) [***] and (B) [***] and for [***] years thereafter (the "**Standstill Period**"), neither Licensee nor any of its Affiliates (each a "**Licensee Related Party**") will, without the written consent of the Board of Directors of Mersana:

13.6.1 make, initiate, directly participate in, knowingly cause or effect:

(a) any acquisition of beneficial ownership of any voting securities of Mersana, if, after such acquisition, the Licensee Related Parties would beneficially own more than the greater of (x) [***] percent [***] of the outstanding common stock of Mersana and (y) the [***] acquired by Licensee pursuant to Section 8.2 and the Platform Agreement, if any (such amount, the "**Permitted Licensee Holdings**"); or

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(b) any acquisition of all or substantially all of the assets of Mersana (taking into account and including the assets of each subsidiary of Mersana); provided this subsection (b) will not apply to the acquisition by the Licensee Related Parties of a license or other rights to Mersana assets or technology under terms negotiated by the Parties; or

(c) any tender offer, exchange offer, merger, business combination, recapitalization, restructuring, liquidation, or similar extraordinary transaction involving Mersana; or

(d) any "solicitation" of "proxies" (as those terms are used in the proxy rules of the Securities and Exchange Commission) or consents with respect to any voting securities of Mersana; or

13.6.2 form, join or participate in a Group (other than a Group consisting solely of Licensee Related Parties) with respect to the beneficial ownership of any voting securities of Mersana; or

13.6.3 act, alone or in concert with others, to seek to control the management, board of directors or policies of Mersana; or

13.6.4 take any action that would reasonably be expected to require Mersana to make a public announcement regarding any of the types of matters set forth in Section 13.6.1(a); or

13.6.5 agree or offer to take, or propose publicly the taking of, any action referred to in Sections 13.6.1(a), 13.6.1(b), 13.6.1(c), or 13.6.1(d); or

13.6.6 [***] any other person or entity to take any action of the type referred to in Sections 13.6.1(a), 13.6.1(b), 13.6.1(c), or 13.6.1(d) to the extent actually known to the Licensee Related Party; or

13.6.7 [***]; or

13.6.8 request or propose, publicly or to shareholders of Mersana, that Mersana amend or waive any provision set forth in this Section 13.6.

Notwithstanding the foregoing, the provisions of this Section 13.6 will not apply to (a) the exercise by any of the Licensee Related Parties of any rights available to shareholders generally pursuant to any transaction described in this Section 13.6, provided that such Licensee Related Party has not then either directly or as a member of a Group made, effected, initiated or caused such transaction to occur, (b) any non-public communications between a Licensee Related Party and Mersana's board of directors or management, (c) any passive investments in Mersana acquired or held by a diversified mutual fund or stock portfolio managed by an independent investment advisor or any pension plan or other employee benefit plan or trust for employees of any Licensee Related Party or (d) any activity by any of the Licensee Related Parties after (1) any Third Party (other than a passive institutional investor) or Group of Third Parties (other than a Group of solely affiliated passive institutional investors) shall acquire or announce its intent to

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acquire an amount of voting securities of Mersana equal to or greater than the Permitted Licensee Holdings or (2) Mersana or any other Third Party or Group of Third Parties has made any public announcement of (i) its intent to solicit or engage in or of the commencement of, (ii) the approval or recommendation by Mersana's board of directors of, or (iii) the execution of an agreement or agreement in principle with respect to, any transaction of the type referred to in this Section 13.6 (each matter described in clause (d), a "**Standstill Termination Event**"); provided, however, with respect to clause (d), if such Third Party terminates or announces its intent to terminate such transaction and (i) no Licensee Related Party has previously made any public announcement of its intent to solicit or engage in any transaction of the type referred to in this Section 13.6, or (ii) in the event that such public announcement has been made by any of the Licensee Related Parties, such Licensee Related Party has terminated or announced its intent to terminate such transaction, then the provisions of this Section 13.6 will again be applicable.

If, prior to the end of the Standstill Period, Mersana enters into any agreement (including a confidentiality agreement) that relates to (x) a transaction of the type referred to in this Section 13.6 that would reasonably be expected to result in a Standstill Termination Event or (y) a collaboration with a pharmaceutical company of similar or greater size to Licensee with an expected term of more than [***] months and in the case of either (x) or (y) such agreement contains a standstill provision that is less restrictive upon the counterparty thereto than the standstill provision set forth in this Section 13.6, Mersana shall promptly agree to amend the standstill provision set forth in this Agreement to be in a form substantially identical to the standstill provision contained in such other agreement.

For purposes of this Section, "**Group**" means two (2) or more persons or entities acting as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of Mersana.

13.6.9 Solely for purposes of this Section 13.6, if Mersana engages in a transaction under which it becomes a direct wholly owned subsidiary of a non-operating holding company that (i) has shares of voting capital stock that are registered under the Exchange Act, and (ii) at the time of the closing of such transaction has no other operating subsidiaries (other than Mersana) (a "**Triggering Transaction**"), then from and after the date of the closing of such transaction, and solely for the purpose of this Section 13.6, "Mersana" shall mean such holding company.

13.7 **Performance by Affiliates**. The Parties recognize that each may perform some or all of its obligations under this Agreement through Affiliates; provided, that each Party shall remain responsible and be a 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.

13.8 **DISCLAIMER OF WARRANTIES**. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH HEREIN, NEITHER PARTY MAKES ANY REPRESENTATIONS OR GRANTS ANY WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE AND EACH PARTY SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE

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OR ANY WARRANTY AS TO THE VALIDITY OF ANY PATENT RIGHTS OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

ARTICLE 14 - TERM AND TERMINATION

14.1 **Term**. Unless earlier terminated pursuant to this Article 14, the term of this Agreement (the "**Term**") shall commence on the Effective Date and shall remain in full force and effect until the date of expiration of the last to expire Royalty Term.

14.2 **Termination by Licensee Prior to Phase II Initiation**. If Mersana is the Party that will Initiate the first Phase II Clinical Trial under the Global Development Plan, Mersana shall notify Licensee of the Initiation date at least [***] days prior to Initiation of such study. Licensee shall have the right, at any time prior to the Initiation of the first Phase II Clinical Trial under the Global Development Plan, to terminate this Agreement in its entirety by providing not less than thirty (30) days' prior written notice to Mersana of such termination. If Licensee delivers such notice within such period, then Licensee shall not be responsible for any Shared Post-Phase I Development Costs incurred by Mersana or its Affiliates, licensees or Sublicensees hereunder other than (i) its share of Shared Post-Phase I Development Costs incurred prior to the date of such notice in accordance with the Global Development Plan (i.e., pre-Initiation costs authorized thereunder), and (ii) its share of Shared Post-Phase I Development Costs incurred from the date of such notice until [***] days thereafter (i.e., thirty (30) days following the effective date of termination) (but Mersana shall not accelerate incurring any Post-Phase I Development Costs). Notwithstanding anything herein to the contrary, if Licensee has Initiated a Licensee Phase I Clinical Trial, then Licensee shall complete such trial in accordance with its protocol, at its sole cost and expense (unless ceased pursuant to Section 14.4.2), and promptly provide Mersana with all data and results obtained from such Licensee Phase I Clinical Trial and all Regulatory Documentation related thereto; provided, however, Licensee may amend the protocol of or terminate such trial in its sole discretion in accordance with Applicable Law.

14.3 **Termination by Licensee**. In the event either Party has Initiated the first Phase II Clinical Trial under the Global Development Plan, Licensee shall have the right, at any time after such Initiation, to terminate this Agreement in its entirety by providing not less than ninety (90) days' prior written notice to Mersana of such termination. If Licensee delivers such notice, then Licensee shall not be responsible for any Shared Post-Phase I Development Costs incurred by Mersana or its Affiliates, licensees or Sublicensees hereunder other than (i) its share of Shared Post-Phase I Development Costs incurred prior to the date of such notice in accordance with the Global Development Plan and (ii) its share of Shared [***] Development Costs incurred from the date of such notice until [***] days thereafter (but Mersana shall not accelerate incurring any [***] Development Costs).

14.4 **Termination for Cause**.

14.4.1 Either Party may (but is not required to and without limitation of any other right or remedy such Party may have) terminate this Agreement or on a country by country basis in the case of a material breach relating to the applicable country for material breach by the other Party (the "**Breaching Party**") of this Agreement if the Breaching Party has not cured such breach within [***] days after notice thereof (such period, the "**Notice Period**") specifying the

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breach and its claim of right to terminate, other than (i) with respect to a breach of a payment obligation, in which case the Notice Period shall be [***] days, (ii) with respect to a breach that cannot be cured within the Notice Period and the Breaching Party commences actions to cure such breach within the Notice Period, in which case the Notice Period shall be tolled (provided, that the Breaching Party thereafter diligently continues such actions), or (iii) with respect to any alleged breach by either Party of its diligence obligations with respect to Licensed Products, in which case the Notice Period shall be [***] days (such Notice Period to be tolled in the event that the Parties enter into good faith discussions with respect to such alleged breach); provided, that if either Party initiates a dispute resolution procedure under Section 20.3 as permitted under this Agreement to resolve the dispute for which termination is being sought within [***] days following the end of the Notice Period and is diligently pursuing such procedure, the Notice Period shall be tolled and the termination shall become effective only if such breach remains uncured for [***] days after the final resolution of the dispute through such dispute resolution procedure (or if the breach cannot be cured within such [***] day period, if the Breaching Party commences actions to cure such breach within such period and thereafter diligently continues such actions).

14.4.2 Notwithstanding anything to the contrary in Section 14.2, Section 14.3 or Section 14.4.1, following discovery of a Material Safety Issue, Licensee may, upon written notice to Mersana, halt its ongoing Development and Commercialization activities, investigate the Material Safety Issue, and determine a course of action. Following such investigation, Licensee may elect to terminate this Agreement in its entirety, and if Licensee makes such election, then Licensee shall provide written notice to Mersana of such termination and such termination shall take effect immediately. Within [***] days of discovery of a Material Safety Issue, Licensee must either elect to terminate this Agreement in its entirety or restart its Development and Commercialization activities and thereafter conduct such activities in accordance with this Agreement.

14.4.3 This Agreement may be terminated by either Party upon the filing or institution of bankruptcy, reorganization, liquidation or receivership proceedings, or upon an assignment of a substantial portion of the assets for the benefit of creditors by the other Party; provided, however, that in the event of any involuntary bankruptcy or receivership proceeding such right to terminate will only become effective if the Party consents to the involuntary bankruptcy or receivership or such proceeding is not dismissed within [***] days after the filing of such bankruptcy or receivership.

14.5 **License Survival Upon Insolvency**. All licenses (and to the extent applicable, rights) granted under or pursuant to this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of 11 U.S.C. Section 101, et. seq. ("**Bankruptcy Code**"), licenses of rights to "intellectual property" as defined under the Paragraph 101(35A) of the Bankruptcy Code. The Parties agree that the non-bankrupt Party shall retain and may fully exercise all of its rights and elections under Applicable Law. The Parties further agree that, in the event of the commencement of bankruptcy proceeding by or against a bankrupt Party, the other Party shall be entitled to a complete duplicate of (or complete access to, as appropriate) any intellectual property which at that date is known to be useful or necessary for the Development, Manufacture or Commercialization or other Exploitation of Licensed Products in the other Party's territory and all embodiments of such intellectual property, as well as the right to Manufacture Licensed

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Products (including to take over any ongoing Manufacturing); and the same, if not already in the other Party's possession, shall be promptly delivered to the other Party (a) upon any such commencement of a bankruptcy proceeding, upon the other Party's written request therefor (which request must identify the specific intellectual property), unless the bankrupt Party (or trustee on behalf of the bankrupt Party) elects within [***] days to continue to perform all of its obligations under this Agreement or (b) if not delivered under (a) above, upon rejection of this Agreement by or on behalf of the bankrupt Party, upon written request therefor by the other Party.

14.6 Effect of Expiration and Termination.

14.6.1 General Effects. Except where explicitly provided within this Agreement, expiration or termination of this Agreement for any reason, will not affect (a) any obligations, including payment of any royalties or other sums which have accrued as of the date of termination or expiration, or (b) Licensee's ability to sell any existing inventory of Licensed Products (if applicable) for a period of up to [***] months following termination, subject to Licensee's obligation to make corresponding payments with respect to any such sales pursuant to Article 8.

14.6.2 Upon termination (but not expiration) of this Agreement for any reason, the following provisions shall apply (on a country-by-country basis, if applicable under Section 14.4):

(a) All licenses granted by either Party to the other Party hereunder (other than pursuant to Sections 2.2 and 2.3), and all sublicenses granted by either Party thereunder (if applicable), will immediately terminate in the Terminated Territory; provided that (i) if this Agreement is not terminated in its entirety, any license to conduct Development or Manufacturing activities in the other Party's territory shall continue to apply to the Terminated Territory and (ii) Mersana's license under the Licensee Technology to Commercialize and otherwise Exploit Licensed Products in the Mersana Territory in Section 2.3 shall be expanded to apply to the Terminated Territory.

(b) Licensee shall provide to Mersana a fair and accurate detailed written description of the status of the Development and Commercialization of Licensed Products in the Licensee Territory through the effective date of termination within [***] days of such termination; provided that if this Agreement is not terminated in its entirety, such written description shall be limited to Development and Commercialization in the Terminated Territory.

(c) If applicable, Licensee shall promptly transfer and assign to Mersana all of Licensee's, its Affiliates' and Sublicensees' rights, title and interests in and to the Licensee Trademark(s) used for Licensed Products in the Licensee Territory, including all trademark applications and registrations therefor; provided that if this Agreement is not terminated in its entirety, only those Licensee Trademarks in the Terminated Territory shall be transferred and assigned to Mersana.

(d) Licensee shall promptly transfer and assign to Mersana all clinical data, Regulatory Documentation, Pricing Approvals (to the extent permitted by Applicable Law)

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and other technical and other information or materials in Licensee's, its Affiliates' or Sublicensees' possession or control which arose out of the activities conducted pursuant to this Agreement; provided that if this Agreement is not terminated in its entirety, only such Licensee clinical data, Regulatory Documentation, Pricing Approvals or other information that relates exclusively to the Terminated Territory shall be transferred and assigned to Mersana.

(e) Licensee shall, within [***] days of Mersana's request, conduct a transfer to Mersana of all Know-How included in the licenses set forth in Sections 2.2 and 2.3, and (unless terminated for Mersana's material breach under Section 14.4.1) for a period of [***] days from the effective date of such termination provide such consultation or other assistance, without charge for the first [***] hours and at Mersana's expense thereafter, as Mersana may reasonably request to assist Mersana in becoming familiar with such Know-How in order for Mersana to undertake further Development, Manufacture and Commercialization of Licensed Products; provided that if this Agreement is not terminated in its entirety, only such Licensee Know-How that relates exclusively to the Terminated Territory shall be transferred to Mersana. If terminated for Mersana's material breach under Section 14.4.1, the transfer to Mersana of such Know-How shall be solely at Mersana's sole expense.

(f) Unless Mersana and Licensee agree otherwise, all activities in the Terminated Territory underway at the time of such expiration or termination shall be transferred, including the transfer of any agreements with Third Parties pursuant to Section 14.6.2(j) to the extent such agreements are transferable, to Mersana or, at Mersana's election, terminated as soon as possible, except, if applicable, Licensee will continue to be responsible for any pre-clinical or Clinical Trials to the extent that current ethical guidelines would require Licensee to complete such Clinical Trials, and all costs (including internal and out of pocket expenses of Licensee if applicable under the last sentence of this Section 14.6.2(f)) of continuing Clinical Trials for ethical reasons or winding down activities shall be the responsibility of Mersana. In the event that an activity in a Terminated Territory is to be continued pursuant to this Section 14.6.2(f) but the related Third Party agreement is not transferable pursuant to its terms, then Licensee shall continue acting under such agreement at the direction and expense of Mersana and Mersana shall be responsible for any liabilities arising under such agreement arising after the effective date of termination except to the extent caused by the negligence or misconduct of Licensee.

(g) Mersana may select which, if any, Licensee Patent Rights and Joint Patent Rights for which an Extension is to be sought or obtained in the Terminated Territory. Mersana may file for all such Extensions at Mersana's expense, and Licensee shall, and shall ensure that its Affiliates shall, execute such authorizations and other documents and take such other actions as may be reasonably requested to obtain such Extensions, including designating Mersana as its agent for such purpose.

(h) Mersana may list with the applicable Regulatory Authorities in the Terminated Territory information regarding any Licensee Patent Right and Joint Patent Right in the Terminated Territory. In connection with such listings, the Parties shall meet to evaluate and identify all potentially applicable Licensee Patent Rights and Joint Patent Rights.

(i) Licensee shall, and shall cause its Affiliates and Sublicensees to, provide Mersana written notice of the quantity of Licensed Products or Components (including

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XMT-1519) that Licensee, its Affiliates and Sublicensees [***] days following the effective date of termination, [***]. Mersana may exercise such option by written notice to Licensee during such [***] day period; provided, however, that in the event Mersana exercises such right to [***], Licensee shall grant, and hereby does grant, a royalty-free right and license to any house marks, trademarks, names and logos of Licensee contained therein for a period of [***] months in order to [***]. Upon such exercise, the Parties will establish mutually agreeable payment and [***].

(j) If Mersana so requests, and to the extent permitted under Licensee's or its Affiliates' obligations to Third Parties on the effective date of termination, Licensee shall, and shall cause its Affiliates to, transfer to Mersana any Third Party agreements relating solely and exclusively to the Development, Manufacture or Commercialization of any Licensed Product to which Licensee or any of its Affiliates is a party, subject to any required consents of such Third Party, which Licensee shall use Commercially Reasonable Efforts to obtain promptly; provided that if this Agreement is not terminated in its entirety, only such Third Party agreements that relate exclusively to the Terminated Territory shall be transferred to Mersana.

(k) If Licensee or any of its Affiliates or Sublicensees Manufactured (itself or through a CMO) any Licensed Products or any Components for all or any portion of the Terminated Territory on the date of notice of termination, Licensee shall supply Mersana with any such Licensed Products and Components that had been Manufactured for such Terminated Territory as of such date on the terms of the Mutual Supply Agreements, or if the Mutual Supply Agreements are not in effect, on commercially reasonably and customary terms and at [***] percent [***] of Supply Costs thereof for Exploitation in the Terminated Territory and the Mersana Territory until the earlier of (i) [***] months after the effective date of termination or (ii) if Licensee or its Affiliates uses one or more CMOs to Manufacture such Licensed Products and such Components, such time as either (A) all agreements with all such CMOs for the Manufacture of any such Licensed Products and Components are transferred to Mersana or (B) Mersana has replaced all such CMOs with its own CMOs for the Manufacture of any such Licensed Products and Components, provided that Mersana shall use Commercially Reasonably Efforts to effect (A), if applicable, or (B) as soon as practicable following the effective date of termination.

(l) Upon the effective date of termination with respect to each Major Market Country in the Terminated Territory, for each such country Licensee's obligation to pay Shared [***] Development Costs incurred after such date shall be reduced by [***] percent [***] of the total amount of Shared [***] Development Costs (i.e. by [***] percent [***] of Licensee's obligation to pay such Shared [***] Development Costs under Section 4.6.5) and Mersana's obligation to pay Shared [***] Development Costs incurred after such date shall be increased by [***] percent [***] of the total amount such Shared [***] Development Costs (i.e. by [***] percent [***] of Mersana's obligation to pay such Shared [***] Development Costs under Section 4.6.5); provided, however, Licensee's obligation to pay Shared [***] Development Costs shall not be reduced by more than [***] percent [***] of the total amount of Shared [***] Development Costs. By way of example, if this Agreement were terminated in Japan, Italy and Botswana on [***], Licensee would pay [***] percent [***] of Shared [***] Development Costs incurred after [***] (i.e., [***] percent [***] as set forth under Section 4.6.5, *minus* [***]

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percent [***] for termination in Japan, *minus* [***] percent [***] for termination Italy, and with no adjustment for termination in Botswana), and Mersana would pay [***] percent [***] of Shared [***] Development Costs incurred after January 1, 2017.

(m) Upon notice of termination under Section 14.2 or Section 14.3, Section 2.6 shall immediately terminate.

14.6.3 **License to Licensee Upon Royalty Term Expiration**. Upon the date of expiration of each Royalty Term with respect to a Licensed Product in a country, the Exclusive License granted with respect to such Licensed Product in such country shall remain in effect.

14.6.4 **Survival**. The following provisions will survive expiration or termination of this Agreement: Article 1, Section 2.2, Section 2.3, Section 2.8, Section 8.8, Section 8.9, Section 8.10, Section 8.11, Section 8.12, Article 9, Article 10, Section 11.2, Section 13.8, Section 14.5, this Section 14.6, Article 15, Article 18, Article 19 and Article 20. The following further provisions will survive expiration, but not termination, of this Agreement: Section 2.1; Section 2.4 (provided that Sublicensees shall only be bound by provisions otherwise surviving); Section 2.5; and Article 5 (other than with respect to rights of review, comment or participation).

ARTICLE 15 - INDEMNITY; LIMITATION OF LIABILITY

15.1 **Indemnity**.

15.1.1 Mersana shall defend, indemnify and hold harmless Licensee, its Affiliates and its and their respective directors, officers, employees and agents from and against all liabilities, losses, damages, and expenses, including reasonable attorneys' fees and costs, (each, a "**Liabilities**") resulting from all Third Party claims, suits, actions, terminations or demands (each, a "**Claim**") to the extent such Claims are incurred, relate to, are in connection with or arise out of (a) the breach by Mersana of any representation, warranty or covenant of this Agreement, (b) the negligence, recklessness or willful misconduct of Mersana in connection with the performance of its obligations hereunder, (c) violation of Applicable Law by Mersana in connection with the performance of its obligations hereunder, (d) Exploitation of Licensed Products by or on behalf of Mersana, (e) all Manufacturing activities conducted by or on behalf of Mersana, and (f) (i) any breach of a representation, warranty or covenant made by Adimab under the Adimab Agreement, (ii) the negligence or intentional misconduct by Adimab, its Affiliates or its and their directors, officers, agents and employees, (iii) Adimab's conduct of any Validation Program (as defined in the Adimab

Agreement) activity or (iv) Adimab's (or its Affiliates, licensee's, sublicensee's or distributor's) research, testing, development, manufacture, use, sale distribution, licensing or commercialization of Products (as defined in the Adimab Agreement) for which Adimab is the Commercial Rights Party (as defined in the Adimab Agreement) (including activities by contractors on behalf of any of the foregoing), except, in each case ((a), (b), (c), (d) or (e)), to the extent such Liabilities resulted from any action for which Licensee must indemnify Mersana under Sections 15.1.2(a)-(e).

15.1.2 Licensee shall defend, indemnify and hold harmless Mersana, its Affiliates and its and their respective directors, officers, employees and agents from and against all Liabilities resulting from all Claims to the extent such Claims are incurred, relate to or arise out

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of (a) the breach by Licensee of any representation, warranty or covenant of this Agreement, (b) the negligence, recklessness or willful misconduct of Licensee in connection with the performance of its obligations hereunder, (c) violation of Applicable Law by Licensee in connection with the performance of its obligations hereunder, (d) Exploitation of Licensed Products by or on behalf of Licensee, or (e) all Manufacturing activities conducted by or on behalf of Licensee, except, in each case ((a), (b), (c), (d) or (e)), to the extent such Liabilities resulted from any action for which Mersana must indemnify Licensee under Section 15.1.1(a)-(f).

15.2 Procedure.

15.2.1 A Party (the "**Indemnitee**") that intends to claim indemnification under this Article 15 shall promptly provide notice to the other Party (the "**Indemnitor**") of any Claim in respect of which the Indemnitee intends to claim such indemnification, which notice shall include a reasonable identification of the alleged facts giving rise to such Liability, and the Indemnitor shall have the right to participate in, and, to the extent the Indemnitor so desires, jointly with any other Indemnitor similarly noticed, to control the defense thereof with counsel selected by the Indemnitor. However, notwithstanding the foregoing, the Indemnitee shall have the right to participate in, but not control, the defense of any Claim, and request separate counsel, with the fees and expenses to be paid by the Indemnitee, unless (a) representation of such Indemnitee by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between such Indemnitee and any other Party represented by such counsel in such proceedings or (b) the Indemnitor has failed to assume the defense of the applicable Claim, in which case ((a) or (b)), such fees and expenses shall be paid by the Indemnitor. The Indemnitee shall, and shall cause each of its Affiliates and its and their respective directors, officers, employees and agents, as applicable, to, cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, provide such witnesses and attend such conferences, discovery proceedings, hearings, trials and appeals and otherwise providing reasonable access to such Indemnitor and other employees and agents of the Indemnitor, in each case as may be reasonably requested in connection therewith; provided, that the Indemnitor shall reimburse the Indemnitee for its reasonable and verifiable out-of-pocket expenses in connection therewith. The Indemnitor may not settle any Claim, and the Indemnitee shall not be responsible for or be bound by any settlement of a Claim that imposes an obligation on it, without the prior written consent of the Indemnitee, which consent shall not be unreasonably withheld, conditioned or delayed. The Indemnitee may not settle any claim without the prior written consent of Indemnitor, which consent shall not be unreasonably withheld, conditioned or delayed.

15.2.2 The assumption of the defense of a Claim by the Indemnitor shall not be construed as an acknowledgment that the Indemnitor is liable to indemnify the Indemnitee in respect of the Claim, nor shall it constitute a waiver by the Indemnitor of any defenses it may assert against the Indemnitee's claim for indemnification. In the event that it is ultimately determined that the Indemnitor is not obligated to indemnify, defend or hold harmless the Indemnitee from and against the Claim, the Indemnitee shall reimburse the Indemnitor for any and all costs and expenses (including attorneys' fees and costs of suit) and any Liabilities incurred by the Indemnitor in its defense of the Claim.

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15.3 Limitation of Liability. EXCEPT (A) IN THE EVENT OF THE WILLFUL MISCONDUCT OR FRAUD OF A PARTY OR A PARTY'S BREACH OF ITS OBLIGATIONS UNDER ARTICLE 10 OR SECTION 2.6, (B) AS PROVIDED UNDER SECTION 20.9 AND (C) TO THE EXTENT ANY SUCH DAMAGES ARE REQUIRED TO BE PAID TO A THIRD PARTY AS PART OF A CLAIM FOR WHICH A PARTY PROVIDES INDEMNIFICATION UNDER THIS ARTICLE 15, NEITHER PARTY NOR ANY OF ITS AFFILIATES OR SUBLICENSEES SHALL BE LIABLE IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY DUTY OR OTHERWISE FOR ANY SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR LOST PROFITS SUFFERED BY THE OTHER PARTY AND REGARDLESS OF ANY PRIOR NOTICE OF SUCH DAMAGES.

ARTICLE 16 - FORCE MAJEURE

No Party (or any of its Affiliates) shall be held liable or responsible to the other Party (or any of its Affiliates) hereunder, or be deemed to have defaulted under or breached this Agreement, for failure or delay by such Party in fulfilling or performing any term of this Agreement when such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party (or any of its Affiliates), including fire, floods, embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, acts of God, earthquakes, or omissions or delays in acting by any Governmental Authority (each, an "**Event of Force Majeure**"); provided, that the affected Party shall exert all reasonable efforts to eliminate, cure or overcome any such Event of Force Majeure and to resume performance of its obligations promptly. Notwithstanding the foregoing, to the extent that an Event of Force Majeure continues for a period in excess of [***] months, the affected Party shall promptly notify in writing the other Party of such Event of Force Majeure and within [***] months of the other Party's receipt of such notice, the Parties shall negotiate in good faith either (a) a resolution of the Event of Force Majeure, if possible, (b) an extension by mutual agreement of the time period to resolve, eliminate, cure or overcome such Event of Force Majeure, (c) an amendment of this Agreement to the extent reasonably possible, or (d) an early termination of this Agreement.

ARTICLE 17 - ASSIGNMENT

This Agreement may not be assigned or otherwise transferred, nor, except as expressly provided hereunder, may any right or obligations hereunder be assigned or transferred to any Third Party by either Party without the consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed; provided, that either Party may, without such consent but with notification and subject to the terms and conditions of this Article 17, assign this Agreement and its rights and obligations hereunder to any of its Affiliates or (a) in the case of Mersana, in connection with a Change in Control of Mersana or (b) in the case of Licensee, to any successor in interest (whether by merger, acquisition, asset purchase or otherwise) to all or substantially all of the business to which this Agreement relates. Any permitted assignee shall assume all rights and obligations of its assignor under this Agreement; provided, that (x) an acquirer of a Party in connection with a Change in Control of such Party shall be obligated to maintain at least the same level of diligence in performing its obligations under the Agreement, including its obligations under the Global Development Plan and Global Commercialization Plan

after the Change in Control of such Party, as had been applied prior to the applicable transaction, unless otherwise agreed to in writing by the Parties and (y) in the event of a Change in Control of Mersana, if the acquirer of Mersana is Exploiting [***] or plans to Exploit [***] within the next [***] months as indicated in an approved plan or budget, [***] for a period of [***] years following the acquisition of Mersana. Any attempted assignment of this Agreement not in accordance with this Article 17 shall be void and of no effect.

ARTICLE 18 - SEVERABILITY

Each Party hereby agrees that it does not intend to violate any public policy, statutory or common laws, rules, regulations, treaty or decision of any government agency or executive body thereof of any country or community or association of countries. Should one or more provisions of this Agreement be or become invalid, the Parties hereto shall substitute, by mutual consent, valid provisions for such invalid provisions that, in their economic effect, are sufficiently similar to the invalid provisions that it can be reasonably assumed that the Parties would have entered into this Agreement based on such valid provisions. In case such alternative provisions cannot be agreed upon, the invalidity of one or several provisions of this Agreement shall not affect the validity of this Agreement as a whole, unless the invalid provisions are of such essential importance to this Agreement that it is to be reasonably assumed that the Parties would not have entered into this Agreement without the invalid provisions.

ARTICLE 19 - INSURANCE

During the Term, each Party shall maintain on an ongoing basis comprehensive general liability insurance in the minimum amount of [***] per occurrence and [***] annual aggregate combined single limit for bodily injury and property damage liability and any other insurance required by Applicable Law. Commencing not later than [***] days prior to the first use in humans of a Licensed Product, each Party shall obtain and maintain on an ongoing basis insurance in the following coverage amounts per occurrence and as an annual aggregate combined single limit for bodily injury liability: (a) [***] for Clinical Trials and (b) [***] for Commercialization of Licensed Products. All of such insurance coverage may be maintained through a self-insurance plan that substantially complies with the foregoing limits and requirements. Thereafter, each Party shall maintain such insurance coverage without interruption during the Term. Each Party shall provide the other Party at least [***] days' prior written notice of any cancellation to or material change in its insurance coverage below the amounts and types described above.

ARTICLE 20 - MISCELLANEOUS

20.1 **Notices**. Any consent, notice or report required or permitted to be given or made under this Agreement by one of the Parties hereto to the other shall be in writing, delivered personally or by facsimile (and promptly confirmed by personal delivery, first class air mail or courier), first class air mail or courier, postage prepaid (where applicable), addressed to such other Party at its address indicated below, or to such other address as the addressee shall have last furnished in writing to the address or in accordance with this Section 20.1 and (except as otherwise provided in this Agreement) shall be effective upon receipt by the addressee. This

Section 20.1 is not intended to govern the day-to-day business communications necessary between the Parties in performing their obligations under the terms of this Agreement.

If to Mersana:

Mersana Therapeutics, Inc.
840 Memorial Drive
Cambridge, MA 02139
Attention: Legal Department
Telephone: (617) 498-0020
Fax: (617) 498-0109

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

Ropes & Gray LLP
800 Boylston Street

Boston, MA 02199
Attention: Marc Rubenstein
Telephone: (617) 951-7000
Fax: (617) 235-0706

If to Licensee:
Millennium Pharmaceuticals, Inc.
Attention: Office of the General Counsel
40 Landsdowne Street
Cambridge, MA 02139

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

Covington & Burling LLP
One Front Street, 35th Floor
San Francisco, 94111
Attention: Amy L. Toro
Fax: (415) 955-6586

20.2 **Applicable Law; Jurisdiction**. The Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without regard to the conflict of law principles thereof that may dictate application of the laws of any other jurisdiction. Subject to Section 20.3, the Parties hereby irrevocably and unconditionally consent to the exclusive jurisdiction of the courts of the Commonwealth of Massachusetts for any action, suit or proceeding (other than appeals therefrom) arising out of or relating to the Agreement and agree not to commence any action, suit or proceeding (other than appeals therefrom) related thereto except in such courts.

20.3 **Dispute Resolution**. The Parties agree that if any dispute or disagreement arises between Licensee on the one hand and Mersana on the other in respect of this Agreement, subject to Section 20.9, they shall follow the following procedure in an attempt to resolve the dispute or disagreement.

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20.3.1 The Party claiming that such a dispute exists shall give notice in writing ("**Notice of Dispute**") to the other Party of the nature of the dispute.

20.3.2 Within [***] Business Days following receipt of a Notice of Dispute, a nominee or nominees of Licensee and a nominee or nominees of Mersana shall meet in person at a mutually agreed upon time and location and exchange written summaries reflecting, in reasonable detail, the nature and extent of the dispute, and at this meeting they shall use their reasonable endeavors to resolve the dispute.

20.3.3 If, within a further period of [***] Business Days, the dispute has not been resolved, [***] of Mersana and [***] of Licensee shall meet at a mutually agreed upon time and location for the purpose of resolving such dispute.

20.3.4 In the event of any unresolved dispute between the Parties, such dispute shall be resolved by a [***] (the "[***]") in accordance with this Section 20.3.4. Notice from a Party initiating resolution by the [***] shall contain a statement of the issue forming the basis of the dispute, the position of the moving Party as to the proper resolution of that issue and the basis for such position. Within [***] Business Days after receipt of such notice, the responding Party shall submit to the moving Party a statement of its conception of the specific issue in question, its position as to the proper resolution of that issue and the basis for such position.

(a) Within [***] Business Days of the responding Party's response, each Party shall appoint to the [***] an individual who (i) [***] (ii) [***] and (iii) has no known personal financial interest or benefit in the outcome or resolution of the dispute, and the appointing Party shall give the other Party written notice of such appointment; provided, that for such appointment to be effective and for such individual to serve on the [***], such individual must deliver to the other Party a certificate confirming that such individual satisfies the criteria set forth in clauses (i) through (iii) above, disclosing any potential conflict or bias and certifying that, as a member of the [***], such individual is able to render an independent decision. Within [***] Business Days of the appointment of the second [***], the two (2) appointed [***] shall agree on an additional [***] who meets the same criteria as described above, and shall appoint such [***] as chair of the [***]. If the Party-appointed [***] fail to timely agree on a third [***], then upon the written request of either Party, each Party-appointed [***] shall, within [***] Business Days of such request, nominate one [***] candidate and the CPR Institute for Dispute Resolution shall, within [***] Business Days of receiving the names of the Parties' respective nominees, select one of those [***] to serve as the chair of the [***]. Each [***] shall agree, prior to his or her appointment, to render a decision as soon as practicable after the appointment of the full [***].

(b) Within [***] Business Days of the appointment of the third [***], the [***] shall hold a preliminary meeting or teleconference with the Parties or their representatives and shall designate a time and place for a hearing of the Parties on the dispute

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and the procedures to be utilized at the hearing. The Parties may agree in writing to waive the hearing and have the [***] reach a decision on the basis of written submissions alone. The [***] may order the Parties to produce any documents or information that are relevant to the dispute. All such documents or information shall be provided to the other Party and the [***] as expeditiously as possible but no later than [***] prior to the hearing (if any), along with the names of all witnesses who will testify at the hearing and a brief summary of their testimony. The hearing shall be held in Boston, MA, unless otherwise agreed by the Parties, and shall take place as soon as possible but no more than [***] days after the appointment of the third [***], unless the Parties otherwise agree in writing or the [***] agrees to extend such time period for good cause shown. The hearing shall last no more than [***], unless otherwise agreed by the Parties or the [***] agrees to extend such time period for good cause shown. After the conclusion of all testimony (or if no hearing is held after all submissions have been received from the Parties), at a time designated by the [***] no later than [***] days after the close of the hearing or the receipt of all submissions, each Party shall simultaneously submit to the [***] and exchange with the other Party its final proposed resolution.

(c) In rendering the final decision (which shall be rendered no later than [***] days after receipt by the [***] of the Parties' respective proposed resolutions), the [***] shall be limited to choosing a resolution proposed by a Party without modification; provided, that in no event shall the [***] render a decision that is inconsistent with the Parties' intentions as set forth in this Agreement. The agreement [***] shall be sufficient to render a decision and the Parties shall abide by such decision. The decision of the [***] shall be final and binding on the Parties and may be entered and enforced in any court having jurisdiction. The Parties shall share equally the costs of the [***].

20.3.5 In the event of a dispute regarding any payments owing under this Agreement, all undisputed amounts shall be paid promptly when due and the balance, if any, promptly after resolution of the dispute.

20.3.6 Notwithstanding the foregoing, any disputes relating to inventorship or the validity, enforceability or scope of any patent or trademark rights shall, subject to Section 20.2, be submitted for resolution by a court of competent jurisdiction.

20.4 **Entire Agreement**. This Agreement contains the entire understanding of the Parties with respect to the specific subject matter hereof. All express or implied agreements and understandings, either oral or written, heretofore made are expressly superseded by this Agreement, including the Confidentiality Agreement between the Parties dated June 25, 2014. The Parties acknowledge and agree that confidential information defined in and subject to such confidentiality agreement shall be deemed Confidential Information hereunder and subject to Article 10. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by both Parties hereto. Nothing in this Agreement shall limit either Party's rights or obligations under the Platform Agreement.

20.5 **Independent Contractors**. Mersana and Licensee each acknowledge that they shall be independent contractors and that the relationship between the Parties shall not constitute

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a partnership, joint venture, agency or any type of fiduciary relationship. Neither Mersana nor Licensee shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other Party, without the prior consent of the other Party to do so.

20.6 **Waiver and Non-Exclusion of Remedies**. The waiver by either Party hereto of any right hereunder or the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by Applicable Law or otherwise available, except as expressly set forth herein.

20.7 **Further Assurances**. Each Party shall execute such additional documents as are necessary to effect the purposes of this Agreement.

20.8 **No Benefit to Third Parties**. Except as provided in Article 15, the covenants and agreements set forth in this Agreement are for the sole benefit of the Parties hereto and their successors and permitted assigns and they shall not be construed as conferring any rights on any other parties.

20.9 **Equitable Relief**. Each Party acknowledges and agrees that the provisions set forth in Article 2, Article 10 and Article 11 are reasonable and necessary to protect the legitimate interests of the other Party and that such other Party would not have entered into this Agreement in the absence of such restrictions and that any breach or threatened breach of any provision of such Articles may result in irreparable injury to such other Party for which there will be no adequate remedy at law. In the event of a breach or threatened breach of any provision of such Articles, the non-breaching Party shall be authorized and entitled to seek from any court of competent jurisdiction injunctive relief, whether preliminary or permanent, specific performance and an equitable accounting of all earnings, profits and other benefits arising from such breach, which rights shall be cumulative and in addition to any other rights or remedies to which such non-breaching Party may be entitled in law or equity. Both Parties agree to waive any requirement that the other (a) post a bond or other security as a condition for obtaining any such relief and (b) show irreparable harm, balancing of harms, consideration of the public interest or inadequacy of monetary damages as a remedy. Nothing in this Section 20.9 is intended or should be construed, to limit either Party's right to equitable relief or any other remedy for a breach of any other provision of this Agreement.

20.10 **Counterparts**. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be signed or delivered by facsimile or electronically scanned signature page.

(*The remainder of this page has been intentionally left blank. The signature page follows.*)

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IN WITNESS WHEREOF, the Parties have executed this Development Collaboration and Commercial License Agreement as of the Effective Date.

MERSANA THERAPEUTICS, INC.

By: /s/ Anna Protopapas

Name: Anna Protopapas

Title: President & CEO

MILLENNIUM PHARMACEUTICALS, INC.

By: /s/ Christophe Bianchi

Name: Christophe Bianchi

Title: President

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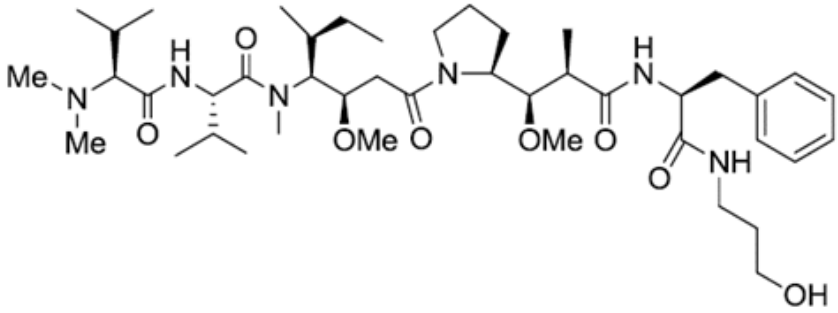
SCHEDULE 1.1.15

AURISTATIN F HPA

Auristatin F Hydroxypropyl Amide (AF-HPA)



[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

SCHEDULE 1.1.82

GLOBAL DEVELOPMENT PLAN

[***]

Indication Definitions

Indication	Definition
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
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[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

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SCHEDULE 1.1.138

MERSANA OTHER PATENT RIGHTS

None.

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SCHEDULE 1.1.143

MERSANA PLATFORM PATENT RIGHTS

Title	Inventors	Patent No.	Serial No	Priority	Filing or 371(c) Date	Issue Date	Expiration Date	Status
[***]	[***]	[***]	[***]	[***]	[***]			[***]
[***]	[***]	[***]	[***]	[***]	[***]			[***]
[***]	[***]	[***]	[***]	[***]	[***]			[***]
[***]	[***]	[***]	[***]	[***]	[***]			[***]
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SCHEDULE 1.1.146

MERSANA PRODUCT PATENT RIGHTS

Title	Inventors	Assignee	Patent No	Serial No	Priority	Filing or 371(c) Date	Issue Date	Expiration Date	Status
[***]	[***]	[***]		[***]	[***]	[***]			[***]
[***]	[***]	[***]		[***]	[***]	[***]			[***]
[***]	[***]	[***]		[***]	[***]	[***]			[***]
[***]	[***]	[***]		[***]	[***]	[***]			[***]
[***]	[***]	[***]		[***]	[***]	[***]		[***]	[***]
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[***]	[***]	[***]		[***]	[***]	[***]		[***]	[***]
[***]	[***]	[***]		[***]	[***]	[***]		[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
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SCHEDULE 1.1.210

XMT-1519

XMT-1519 Amino Acid Sequence

Heavy Chain variable region + IgG1 Heavy chain constant region

[***]

Light Chain variable region + Light chain constant region

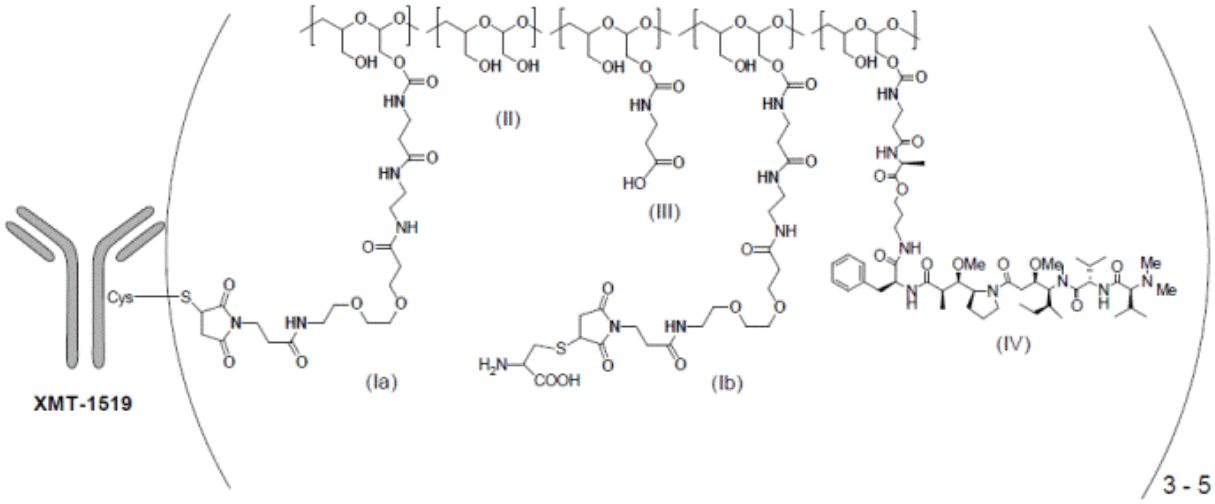
[***]

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

SCHEDULE 1.1.212

XMT-1522

XMT-1522 Chemical Structure



I = Fleximer-bioconjugation linker (Ia + Ib)
Ia = antibody conjugated linker
Ib = capped, unconjugated linker
II = Fleximer monomer
III = Fleximer-β-alanine carbamate
IV = Fleximer-β-alanine carbamate-Auristatin F HPA

Each of the monomers (II), (III), (Ib) and (IV) can be greater than 1 such that the ratio of XMT-1519 to monomer (IV) (drug-antibody ratio or DAR) is greater than 3 to 5

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SCHEDULE 6.7

EXISTING CMOS

[***]

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SCHEDULE 10.3.1

PRESS RELEASE

Mersana THERAPEUTICS

Takeda

Mersana Therapeutics and Takeda Expand Partnership to Advance Development of Fleximer® Antibody-Drug Conjugates and XMT-1522

— Takeda obtains rights to Mersana's XMT-1522 outside U.S. and Canada —
— Takeda to create additional Fleximer ADCs; Mersana to have a co-development option —
— Mersana to receive $40 million upfront, $20 million upon IND clearance and up to $20 million in equity investment —

Cambridge, Mass. and Osaka, Japan, February 3, 2016 — Mersana Therapeutics and Takeda Pharmaceutical Company Limited (TSE:4502) today announced that they have entered a new strategic partnership granting Takeda rights to Mersana's lead product candidate, XMT-1522, outside the United States and Canada. The deal also expands an existing collaboration between the companies to provide Takeda with additional access to Mersana's Fleximer® antibody-drug conjugate (ADC) platform and grants Mersana an option at the end of Phase 1 to co-develop and co-commercialize one of these programs in the United States. In addition, the companies will co-develop new payloads for use with ADCs.

XMT-1522 is an investigational, Fleximer-based ADC therapy that targets HER2-expressing tumors, including breast, gastric and non-small cell lung cancers. Preclinical data suggest that XMT-1522 may have anti-tumor activity in patients with HER2 low-expressing cancers as well as in patients with HER2 high-expressing cancers that do not respond to currently available HER2-targeting therapies. Mersana anticipates filing an Investigational New Drug application (IND) for XMT-1522 with the U.S. Food and Drug Administration (FDA) in mid-2016.

"We believe XMT-1522 has the potential to make a dramatic difference for HER2 low-expressing patients who currently have limited treatment options, and are confident that our Fleximer-based technology can address significant patient needs not currently met by other ADC platform technologies," said Anna Protopapas, President and Chief Executive Officer, Mersana. "Takeda's knowledge of oncology and commitment to ADCs as a key therapeutic approach make the company the best partner for us to
progress our transformative platform and advance XMT-1522 into the clinic."

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Takeda and Mersana will co-develop XMT-1522, and Mersana will lead execution of the Phase 1 trial. Mersana will retain full commercial rights in the United States and Canada while Takeda will have rights in rest of world. Beyond development and commercialization of XMT-1522, the expanded partnership also grants Takeda access to additional targets within Mersana's Fleximer-based ADC platform, with Mersana retaining the right to select one program at the end of Phase 1 for co-development and co-commercialization in the United States. Takeda and Mersana will also work together, leveraging Takeda's proprietary small molecule libraries, to identify and develop novel payloads that both parties will be able to use in new ADC therapies.

"This is our third collaboration with Mersana in less than two years. We see great potential for Mersana's Fleximer technology, combined with our oncology expertise and resources, to extend the benefits of targeted therapy with ADCs to underserved cancer patient populations," said Andrew Plump M.D., Ph.D., Chief Medical and Scientific Officer, Takeda. "We, along with the global oncology community, have made great strides in our fight against cancer, and we know that achieving our aspiration to cure cancer relies on great partnerships and innovation. We look forward to progressing these collaborations and, together, advancing the science of cancer care."

Takeda signed agreements with Mersana through its wholly owned subsidiary, Millennium Pharmaceuticals, Inc., under which, Mersana will receive an upfront payment of $40 million and an additional payment of $20 million upon clearance of the IND for XMT-1522 by the FDA. Subject to the success of the XMT-1522 and ADC programs, Mersana is eligible to receive milestone payments of more than $750 million combined, as well as royalties. Takeda will also invest up to $20 million in equity in future rounds of Mersana financing.

About XMT-1522

XMT-1522 is an investigational, novel HER2-targeting therapy based on Mersana Therapeutics' Fleximer® immunoconjugate technology, and carries approximately 15 proprietary auristatin payload molecules. Preclinical data have demonstrated significant anti-cancer activity in breast, gastric and non-small cell lung cancers, including in HER2 low-expressing tumor models refractory to currently available therapies. Mersana and Takeda are co-developing XMT-1522. Mersana will be responsible for commercialization in the United States and Canada; Takeda will be responsible in rest of world.

About Mersana Therapeutics

Mersana Therapeutics is advancing a proprietary pipeline of targeted oncology therapeutics leveraging its game-changing Fleximer® immunoconjugate technology. Mersana's first product candidate XMT-1522 has the potential to address significant unmet needs and improve patient outcomes in multiple oncology indications. Fleximer-based immunoconjugate molecules have been shown to have superior efficacy, including with targets previously considered not amenable to antibody-drug conjugate approaches. Mersana

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has collaborations utilizing Fleximer technology with Takeda, Merck KGaA, and Asana BioSciences. For more information, please visit www.mersana.com.

About Takeda

Located in Osaka, Japan, Takeda (TSE: 4502) is a research-based global company with its main focus on pharmaceuticals. As the largest pharmaceutical company in Japan and one of the global leaders of the industry, Takeda is committed to strive towards better health for people worldwide through leading

innovation in medicine. Additional information about Takeda is available through its corporate website, www.takeda.com.

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Exhibit 10.14

CONFIDENTIAL

Execution Version

AMENDED AND RESTATED

RESEARCH COLLABORATION AND COMMERCIAL

LICENSE AGREEMENT

between

MERSANA THERAPEUTICS, INC.

and

MILLENNIUM PHARMACEUTICALS, INC.

dated

January 29, 2016

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TABLE OF CONTENTS

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

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AMENDED AND RESTATED RESEARCH
COLLABORATION AND COMMERCIAL LICENSE AGREEMENT

This AMENDED AND RESTATED RESEARCH COLLABORATION AND COMMERCIAL LICENSE AGREEMENT is entered into as of the 29th day of January, 2016 (the "**Amendment Effective Date**") by and between:

MERSANA THERAPEUTICS, INC., a Delaware corporation, having its principal place of business at 840 Memorial Drive Cambridge, MA 02139 (hereinafter referred to as "**MTI**")

and

MILLENNIUM PHARMACEUTICALS, INC., a Delaware corporation, a wholly-owned subsidiary of Takeda Pharmaceutical Company Limited, having its principal place of business at 40 Landsdowne Street, Cambridge, MA 02139 (hereinafter referred to as "**Licensee**").

MTI and Licensee may sometimes individually be referred to hereafter as a "**Party**" or collectively as the "**Parties**".

WITNESSETH

WHEREAS, MTI and Licensee are parties to that certain Research Collaboration and Commercial License Agreement (the "**Original Agreement**") dated March 31, 2014 (the "**Original Effective Date**"), as amended by the First Amendment to Research Collaboration and Commercial License Agreement (the "**First Amendment**") dated October 15, 2014 (the "**First Amendment Effective Date**"), and as further amended by the Second Amendment to Research Collaboration and Commercial License Agreement (the "**Second Amendment**") dated January 9, 2015 (the "**Second Amendment Effective Date**");

WHEREAS, MTI Controls certain intellectual property rights relating to certain proprietary cytotoxins and certain technology useful for linking such proprietary cytotoxins to other molecules, such as Antibodies, capable of directing such cytotoxins to specific tissues or cells;

WHEREAS, Licensee Controls intellectual property rights relating to antibodies to certain Antigens, and is currently conducting Development programs to discover Antigens, or to incorporate Licensee Antibodies into pharmaceutical compounds, that may have activity in certain disease-related pathways, and to develop Licensee Antibodies that it Controls Directed to those Antigens;

WHEREAS, MTI has provided, and wishes to further provide, Licensee with the right to nominate certain Antigens as Designated Target Antigens and as Exclusive Target Antigens for use in conjunction with Licensee's Development, Commercialization and Manufacture of Licensee Antibodies Directed to the Exclusive Target Antigens, on the terms set forth in this Agreement;

WHEREAS, pursuant to the Original Agreement, MTI provided Licensee with the right to nominate [***] Antigens as Designated Target Antigens, and Licensee has subsequently

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designated [***] such Antigens as Designated Target Antigens (the Designated Target Antigen [***]), and has further designated [***] as an Exclusive Target Antigen (the Exclusive Target Antigen [***]);

WHEREAS, pursuant to the Second Amendment, the Parties amended the Original Agreement to provide Licensee with the right to nominate up to three (3) additional Antigens as Designated Target Antigens, and Licensee has subsequently designated [***] as [***] Designated Target [***] (the Designated Target [***]), which upon such designation became Exclusive Target [***];

WHEREAS, MTI and Licensee seek to amend and restate the Original Agreement, as amended by the First Amendment and the Second Amendment, in its entirety as set forth herein, and to provide Licensee with the right to nominate up to three (3) additional Antigens as Designated Target Antigens, which upon designation as provided herein shall also be Exclusive Target Antigens, on the terms set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth herein, the Parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1 - DEFINITIONS AND INTERPRETATION

1.1 **Definitions**. For the purposes of this Agreement the following words and phrases shall have the following meanings:

1.1.1 "**Accounting Standard**" means (a) with respect to MTI, GAAP, and (b) with respect to Licensee, IFRS.

1.1.2 "**ADC**" means an Antibody Directed to a Target that is conjugated to either (a) a Cytotoxic Compound [***] or (b) a Payload [***].

1.1.3 "**ADC Materials**" has the meaning set forth in Section 2.2.1.

1.1.4 "**Affiliate**" of a Party or Third 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 or Third Party, as applicable. As used herein, the term "control" means the direct or indirect ownership of fifty percent (50%) or more of the stock having the right to vote for directors thereof or the ability to otherwise control the management thereof.

1.1.5 "**Agreement**" means this Amended and Restated Research Collaboration and Commercial License Agreement, all amendments and supplements thereto and all schedules attached hereto, including the following:

Schedule A	-	Research Plans:
[***]		[***]

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Schedule B	-	MTI Patent Rights
Schedule C	-	MTI In-Licenses
Schedule D	-	Press Releases:
D.1		- Previous Press Releases
D.2		- Joint Press Release

Schedule E	-	Cytotoxic Compounds and Payloads:
E.1		- Cytotoxic Compounds
E.2		- Payloads
Schedule F	-	Designated Target Antigens:
[***]		[***]
Schedule G	-	Co-Exploitation Terms
Schedule H	-	Share Purchase Agreement Term Sheet

1.1.6 "**Alternate Product**" has the meaning set forth in Section 7.9.1.

1.1.7 "**Amendment Effective Date**" means the date set forth in the first line of this Agreement.

1.1.8 "**Antibody**" means an unconjugated polyclonal or monoclonal antibody (whether (a) fully human, fully mouse, humanized, phage display, chimeric, polyclonal, polyclonal mixes or any other type of antibody, (b) multiple or single chain, single domain, recombinant, in vivo, in vitro or naturally occurring or a combination of the foregoing in any species or (c) monospecific or bi-specific) or any analog, derivative, fragment or modification thereof (including a full antibody, scFv, scFvFc, Fab, minibody, single domain antibodies, nanobodies, etc.).

1.1.9 "**Antigen**" means (a) any protein (including any glyco- or lipo-protein), carbohydrate, compound or other composition that stimulates the production of Antibodies or against which Antibodies are Directed, (b) any naturally occurring isoform or variants thereof or (c) any fragment or peptide of any of the foregoing. The whole protein, carbohydrate, compound or other composition as well as a fragment or peptide thereof, or portion of the whole is considered the same Antigen.

1.1.10 "**Applicable Law**" means any law or statute, any rule or regulation (including written governmental interpretations thereof, the guidance related thereto, or the application thereof) issued by a Governmental Authority or Regulatory Authority and any judicial, governmental, or administrative order, judgment, decree, or ruling, in each case as applicable to the subject matter and the parties at issue.

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1.1.11 "**Available**" has the meaning set forth in Section 2.4.2(a).

1.1.12 "**Bankruptcy Code**" has the meaning set forth in Section 13.4.

1.1.13 "**Biosimilar Product**" means, with respect to a Licensed Product in [***], any generic, biosimilar or interchangeable product sold by a Third Party that (a) has been licensed (i) as a biosimilar (as defined in Section 351(i)(2) of the PHSA) or interchangeable (as defined in Section 351(i)(3) of the PHSA) biological product by the FDA pursuant to Section 351(a) or 351(k) of the PHSA or (ii) a generic product under Section 505(b)(2) or 505(j) of the FD&C Act or any subsequent or superseding law, statute or regulation, (b) has been licensed as a similar biological medicinal product by EMA pursuant to Directive 2001/83/EC, as may be amended, or any subsequent or superseding law, statute or regulation or (c) has otherwise received Regulatory Approval as a generic, biosimilar or interchangeable product from another applicable Regulatory Authority in such country, where in the case of each of clauses (a), (b) or (c) above, such Licensed Product is the reference product for purposes of determining biosimilarity or interchangeability of the Third Party product.

1.1.14 "**BLA**" has the meaning set forth in the definition of Regulatory Approval.

1.1.15 "**Breaching Party**" has the meaning set forth in Section 13.3.1.

1.1.16 "**Business Day**" means a day on which national banks located in the Commonwealth of Massachusetts are open for commercial banking business other than a Saturday or Sunday.

1.1.17 "**Calendar Quarter**" means any of the three (3)-month periods beginning on January 1, April 1, July 1 or October 1 of any Calendar Year, except that the first Calendar Quarter of the Term shall commence on the Original Effective Date and end on June 30, 2014 and the last Calendar Quarter shall end on the last day of the Term.

1.1.18 "**Calendar Year**" means, (a) for the first Calendar Year, the period commencing on the Original Effective Date and ending on December 31 of the year during which the Original Effective Date occurs, (b) for the last Calendar Year, the period commencing on January 1 of the last year of the Term, and ending on the last day of the Term, and (c) each interim period of twelve (12) months commencing on January 1 and ending on December 31.

1.1.19 "**Certification Date**" has the meaning set forth in Section 12.2.

1.1.20 "**Change in Control**" means with respect to a Party, (a) a merger or consolidation in which (i) such Party is a constituent party, or (ii) a subsidiary of such Party is a constituent party, and such entity in clause (i) or (ii) issues shares of its capital stock pursuant to such merger or consolidation, except in the case of either clause (i) or (ii) any such merger or consolidation involving such Party or a subsidiary of such Party in which the shares of capital stock of such entity outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or are exchanged for shares of capital stock which represent, immediately following such merger or consolidation more than 50% by voting power of the capital stock of (A) the surviving or resulting corporation or (B) the parent corporation of such

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surviving or resulting corporation, in the case that the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation; (b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by such Party or a subsidiary of such Party of all or substantially all of the assets of such Party or such subsidiary of such Party taken as a whole or to which this Agreement relates (except where such sale, lease, transfer, exclusive license or other disposition is only to a wholly owned subsidiary of such Party or a subsidiary of such Party); or (c) any "person" or "group," as such terms are defined in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, and the rules thereunder (collectively, the "**Exchange Act**") in a single transaction or series of related transactions, becomes the beneficial owner as defined under the Exchange Act, directly or indirectly, whether by purchase or acquisition or agreement to act in concert or otherwise, of 50% or more by voting power of the then-outstanding capital stock or other equity interests of such Party or a subsidiary of such Party, other than pursuant to a bona fide financing.

1.1.21 "**Claim**" has the meaning set forth in Section 14.1.1.

1.1.22 "**Clinical Trial**" means any clinical study conducted on human subjects. Without limiting the foregoing, Clinical Trials includes any Phase I Clinical Trial, Phase II Clinical Trial, Phase III Clinical Trial or Phase IV Clinical Trial.

1.1.23 "**Co-Exploitation**" mean the Exploitation activities conducted pursuant to the Co-Exploitation Terms.

1.1.24 "**Co-Exploitation License**" has the meaning set forth in Section 5.5.4(c).

1.1.25 "**Co-Exploitation Option**" has the meaning set forth in Section 5.5.1.

1.1.26 "**Co-Exploitation Option Exercise Fee**" means Fifteen Million Dollars ($15,000,000), to be paid as set forth in Section 5.5.4(a) and, as applicable, Section 5.5.4(b).

1.1.27 "**Co-Exploitation Option Period**" has the meaning set forth in Section 5.5.1.

1.1.28 "**Co-Exploitation Terms**" means the terms applicable to the co-Development, co-Commercialization and co-Promotion of the Co-Exploited Product in and for the United States as set forth in Schedule G.

1.1.29 "**Co-Exploited Product**" means the Potential Co-Exploited Product as to which MTI has exercised the Co-Exploitation Option, or the replacement thereto, if any, made in accordance with Section 5.5.6.

1.1.30 "**Combination Product**" has the meaning set forth in the definition of Net Sales.

1.1.31 "**Commercialize**" or "**Commercializing**" means to market, Promote, distribute, offer for sale, sell, have sold, import, have imported, export, have exported or

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otherwise commercialize a compound or product. When used as a noun, "**Commercialization**" means any and all activities involved in Commercializing.

1.1.32 "**Commercially Reasonable Efforts**" means, with respect to the efforts to be expended by a Party with respect to any objective, those reasonable, good faith efforts to accomplish such objective as such Party would use to accomplish a similar objective under similar circumstances, taking into account (when relevant with respect to a product) the competitiveness of the marketplace, its proprietary position, the regulatory requirements involved in its Development, Commercialization and Regulatory Approval, the cost of goods and availability of capacity to Manufacture at commercial scale, the profitability (including payment of any royalties or other payments hereunder or to Third Parties), and other relevant factors, including other commercial, technical, legal, safety, medical or scientific factors.

1.1.33 "**Companion Diagnostic**" means a diagnostic product developed for use with a product (whether developed after or in connection with such product) for predicting or monitoring the suitability of such product for prophylactic or therapeutic use in human patients or defined subpopulations thereof. Potential applications for a Companion Diagnostic with respect to a product include use: (a) as a means to select or monitor the patient population for the conduct of Clinical Trials of such product, (b) to predict predisposition to treatment in clinical use with such product (including to predict the likelihood or degree of therapeutic efficacy), or (c) to predict or monitor therapeutic efficacy or potential safety considerations in clinical use with such product.

1.1.34 "**Competitive Product**" has the meaning set forth in Section 10.4.1.

1.1.35 "**Confidential Information**" has the meaning set forth in Section 9.1.

1.1.36 "**Conjugation Know-How**" means all Know-How that is invented, conceived or developed by or on behalf of either or both Party(ies) in the conduct of its or their activities (a) (i) under a Research Plan, and (ii) that consists of the binding or coupling of Antibody(ies) [***], including (x) [***] and (y) the [***], or (b) (i) outside of a Research Plan, but otherwise under this Agreement and during the Term and (ii) that consists of the binding or coupling of Antibody(ies) [***], including (x) [***] and (y) [***].

1.1.37 "**Conjugation Technology**" means (a) all Conjugation Know-How, and (b) any Patent Right to the extent that it claims such Conjugation Know-How ("**Conjugation Patent Right**").

1.1.38 "**Control**" means, with respect to any information, Regulatory Documentation or intellectual property right, possession, whether directly or indirectly, by a Party or its Affiliates (including, except as described below, a Future Acquirer) of the ability (whether by sole, joint or other ownership interest, license or otherwise, other than pursuant to the grants set forth in this Agreement) to grant the right to access or use, or to grant a license or a sublicense to, such information or intellectual property right as provided for herein without violating the terms of any agreement or other arrangement with any Third Party. Notwithstanding the foregoing, any information or intellectual property right Controlled by a Future Acquirer shall not be treated as "Controlled" by the applicable acquired Party or its

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Affiliates for purposes of this Agreement to the extent, but only to the extent, that such intellectual property (a) is Controlled by such Future Acquirer immediately prior to the time such Future Acquirer qualifies as such, other than pursuant to a license or other grant of rights (whether directly or indirectly) by the applicable acquired Party or its Affiliates, or (b) is Controlled by such Future Acquirer subsequent to the time that such Future Acquirer qualifies as such but (i) was not Controlled by the applicable acquired Party or any of its existing Affiliates prior to the time such Future Acquirer qualifies as such and (ii) did not come under the Control of such Future Acquirer due to any license or other grant of rights by the applicable acquired Party or its Affiliates or any reference or access to any Licensee Technology, MTI Technology or any other intellectual property right or other Confidential Information of the applicable non-acquired Party or information or intellectual property right Controlled by the applicable acquired Party or any of its Affiliates (other than information or intellectual property Controlled by a Future Acquirer that would be excluded by clause (a) or (b)(i) of this definition).

1.1.39 "**Cover**" means, with respect to a Patent Right in a country, that the Development, Manufacture, Commercialization or other Exploitation of a Licensed Product in such country would, but for ownership of or the grant of a license to such Patent Right, infringe a Valid Patent Claim of such Patent Right.

1.1.40 "**Cytotoxic Compound**" means (a) [***], and (b) [***] that, as of the Amendment Effective Date or, subject to Section 3.7, at any time during the Term, (i) (x) MTI or its Affiliates own, and (y) with respect to which MTI or its Affiliates Control Patent Rights Covering such cytotoxic compound or Control Know-How that relates to or consists of such cytotoxic compound, and (ii) that the Parties have mutually agreed to include as a Cytotoxic Compound by expressly identifying it as such in the applicable Research Plan, and any Improvements to any of the foregoing ((a) and (b)). All Cytotoxic Compounds that are identified in a Research Program as of the Amendment Effective Date are set forth on Schedule E.1, subject to updating in accordance with Section 2.2.2.

1.1.41 "**Designated Patent Rights**" has the meaning set forth in Section 10.3.3(a).

1.1.42 "**Designated Target Antigen**" means any Antigen designated by Licensee and confirmed to be Available on the register of available targets maintained by the Gatekeeper pursuant to the procedures set forth in Section 2.4. For clarity, each Designated Target Antigen shall include any naturally occurring variants or isoforms thereof as well as any fragment or peptide of such Antigen, variants and isoforms. For clarity, each of the Designated Target Antigen One, the Designated Target Antigen Two, the Designated Target Antigen Three, the Designated Target Antigen Four, the Designated Target Antigen Five, the Designated Target Antigen Six and the Designated Target Antigen Seven (and any Replacement Antigen with respect to any of the foregoing) shall be a Designated Target Antigen.

1.1.43 "**Designated Target Antigen One**" means, subject to Section 2.4.5, the Antigen [***].

1.1.44 "**Designated Target Antigen Two**" means, subject to Section 2.4.5, the Antigen [***].

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1.1.45 "**Designated Target Antigen Three**" means, subject to Section 2.4.5, the Antigen [***].

1.1.46 "**Designated Target Antigen Four**" means, subject to Section 2.4.5, the fourth (4th) Designated Target Antigen [***].

1.1.47 "**Designated Target Antigen Five**" means, subject to Section 2.4.5, the fifth (5th) Designated Target Antigen [***].

1.1.48 "**Designated Target Antigen Six**" means, subject to Section 2.4.5, the sixth (6th) Designated Target Antigen [***].

1.1.49 "**Designated Target Antigen Seven**" means, subject to Section 2.4.5, the seventh (7th) Designated Target Antigen [***].

1.1.50 "**Develop**" or "**Developing**" means to discover, research or otherwise develop a product, including conducting non-clinical and clinical research and development activities, including toxicology, pharmacology and other discovery efforts, test method development and stability testing, process development, formulation development, delivery system development, quality assurance and quality control development, process and manufacturing scale-up and other manufacturing activities related to developing a product, statistical analysis, clinical studies (including pre-approval studies), Companion

Diagnostics activities, regulatory affairs, pharmacovigilance, Regulatory Approval, post-approval clinical activities including Phase IV Clinical Trials. When used as a noun, "**Development**" means any and all activities involved in Developing.

1.1.51 "**Development Plan**" means a written comprehensive plan for the Development of a Potential Co-Exploited Product in the Field, including Development activities to be conducted, Development timelines, clinical trial design, Companion Diagnostic development, activities designed to generate the manufacturing scale-up, clinical and regulatory information required for filing and obtaining or maintaining Regulatory Approval for such Potential Co-Exploited Product, as customarily produced by Licensee at the applicable stage of Development.

1.1.52 "**Directed**" means, with respect to an Antigen, that an Antibody or an ADC is selected, generated or optimized to preferentially bind to such Antigen.

1.1.53 "**Drug Master File**" shall mean a voluntary submission to the FDA or any foreign equivalent submission to a Regulatory Authority (such as an Active Substance Master File in the European Union) that may be used to provide (a) information regarding a Licensed Product, ADC, Cytotoxic Compound or Payload, as applicable, (b) information regarding MTI Linker Technology or any other MTI Technology used to create an ADC or a Licensed Product, and (c) information regarding the Manufacturing (including the facilities used therefor) of a Licensed Product or ADC.

1.1.54 "**EMA**" means the European Medicines Agency, and any successor agency thereto.

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1.1.55 "**Estimated Pre-Payment**" has the meaning set forth in Section 7.2.2.

1.1.56 "**EU Major Market Country**" means each of France, Germany, Italy, Spain and the United Kingdom.

1.1.57 "**European Union**" means the economic, scientific and political organization of member states of the European Union as it may be constituted from time to time.

1.1.58 "**Event of Force Majeure**" has the meaning set forth in Article 15.

1.1.59 "**Exchange Act**" has the meaning set forth in the definition of Change in Control.

1.1.60 "**Excluded MTI Conjugation Know-How**" has the meaning set forth in the definition of Product Know-How.

1.1.61 "**Exclusive License**" has the meaning set forth in Section 3.2.1.

1.1.62 "**Exclusive License Maintenance Fee**" has the meaning set forth in Section 7.3.

1.1.63 "**Exclusive Target Antigens**" means each of the Exclusive Target Antigen One, the Exclusive Target Antigen Two, the Exclusive Target Antigen Three, the Exclusive Target Antigen Four, the Exclusive Target Antigen Five, the Exclusive Target Antigen Six and the Exclusive Target Antigen Seven.

1.1.64 "**Exclusive Target Antigen One**" means Designated Target Antigen One. The Parties acknowledge and agree that the Exclusive Target Antigen One was designated by Licensee [***].

1.1.65 "**Exclusive Target Antigen Two**" means Designated Target Antigen Two [***].

1.1.66 "**Exclusive Target Antigen Three**" means Designated Target Antigen Three.

1.1.67 "**Exclusive Target Antigen Four**" means Designated Target Antigen Four.

1.1.68 "**Exclusive Target Antigen Five**" means Designated Target Antigen Five.

1.1.69 "**Exclusive Target Antigen Six**" means Designated Target Antigen Six.

1.1.70 "**Exclusive Target Antigen Seven**" means Designated Target Antigen Seven.

1.1.71 "**[***]**" has the meaning set forth in Section 19.3.4.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

1.1.72 **"Exploit"** means make, have made, import, use, sell or offer for sale, including to research, Develop, Commercialize, register, Manufacture, have Manufactured, hold or keep (whether for disposal or otherwise), have used, export, transport, distribute, Promote, market or have sold or

otherwise dispose of. "**Exploitation**" means the act of Exploiting a compound, product or process.

1.1.73 "**Extensions**" has the meaning set forth in Section 10.3.6.

1.1.74 "**FD&C Act**" means the Federal Food, Drug & Cosmetic Act, as amended, together with any rules, regulations and requirements promulgated thereunder (including all additions, supplements, extensions and modifications thereto).

1.1.75 "**FDA**" means the United States Food and Drug Administration, and any successor agency thereto.

1.1.76 "**Field**" means all diagnoses, prevention, control or treatment of any and all human conditions, diseases and disorders.

1.1.77 "**First Amendment**" has the meaning set forth in the introduction to this Agreement.

1.1.78 "**First Amendment Effective Date**" has the meaning set forth in the introduction to this Agreement.

1.1.79 "**First Commercial Sale**" means, with respect to any Licensed Product and with respect to any country of the Territory, the first commercial sale of a Licensed Product by Licensee, its Affiliates or Sublicensees to a Third Party for monetary value following, if required by Applicable Law, Regulatory Approval and Pricing Approval of such Licensed Product and, when Regulatory Approval and Pricing Approval are not required by Applicable Law for the Licensed Product, the first commercial sale in that country, in each case for use or consumption of such Licensed Product in such country by the general public; provided, that sales for clinical study purposes or compassionate, named patient (paid or unpaid) or similar use shall not constitute a First Commercial Sale.

1.1.80 "**Fleximer**" means MTI's biodegradable polymer platform, poly(hydroxymethylethylene)hydroxymethyl formal, in any of its forms and sizes and varieties that are incorporated into an ADC or otherwise delivered to Licensee pursuant to a Research Plan.

1.1.81 "**Fleximer Conjugation Patent Right**" means any Patent Right to the extent that it claims Conjugation Know-How (other than Product Know-How) that (a) is invented, conceived or developed solely by Licensee, its Affiliates or by a Third Party, other than MTI or its Affiliates, acting on behalf of Licensee and (b) is specific to Fleximer.

1.1.82 "**Former Designated Target Antigen**" has the meaning set forth in Section 2.4.5.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

1.1.83 "**FTE**" means one person (or the equivalent of one person) working full time for one twelve (12) month period in a Development, regulatory or other relevant capacity employed or contracted by a Party and assigned to perform specified work, with such commitment of time and effort to constitute one employee performing such work on a full-time basis, which for purposes hereof shall be [***] hours per year.

1.1.84 "**FTE Fee**" has the meaning set forth in Section 7.2.1.

1.1.85 "**FTE Rate**" means, as of the Amendment Effective Date, [***] Dollars [***]; provided, that such rate shall be adjusted [***], with each [***] adjustment effective as of [***], based on the percentage increase over the applicable annual period in the Consumer Price Index (U.S. Bureau of Labor Statistics for all urban consumers, U.S. city average, all items). The FTE Rate shall be deemed inclusive of (a) all expenses incurred per FTE providing the applicable services under the Research Plans, including salaries, wages, bonuses, benefits, profit sharing, stock option grants, and FICA costs and other similar ex-U.S. costs, meals and entertainment, training, recruiting, relocation, operating supplies, and equipment and other disposable goods to the extent required for the performance of the applicable services and (b) Overhead associated with such FTE and the performance of its activities under the Research Plans.

1.1.86 "**Future Acquirer**" means a Third Party to any Change in Control transaction involving either Party and such Third Party or any of such Third Party's Affiliates other than the applicable acquired Party or any of its Affiliates existing immediately prior to such Change in Control.

1.1.87 "**Future MTI In-License**" means any agreement that is deemed to be a Future MTI In-License under Section 3.7.2.

1.1.88 "**GAAP**" means Generally Accepted Accounting Principles in the United States.

1.1.89 "**Gatekeeper**" shall mean [***], or such other Third Party as may be agreed by the Parties in writing from time to time.

1.1.90 "**GLP Toxicology Studies**" means, with respect to a Licensed Product, animal studies conducted in accordance with GLP and intended to support an IND for such Licensed Product.

1.1.91 "**Good Clinical Practices**" means the then current standards for good clinical practices for pharmaceuticals, as set forth in the FD&C Act and applicable regulations and guidances promulgated thereunder, including the Code of Federal Regulations, and the guidelines of the International Conference on Harmonization and other comparable regulations and guidances of any Regulatory Authority in any country or region outside of the United States, as applicable.

1.1.92 "**Good Laboratory Practices**" or "**GLP**" means the then current standards for good laboratory practices for pharmaceuticals, as set forth in the FD&C Act and applicable regulations and guidances promulgated thereunder, including the Code of Federal

Regulations, and the guidelines of the International Conference on Harmonization and other comparable regulations and guidances of any Regulatory Authority in any country or region outside of the United States, as applicable.

1.1.93 "**Good Manufacturing Practices**" means the then current standards for good manufacturing practices for pharmaceuticals, as set forth in the FD&C Act and applicable regulations and guidances promulgated thereunder, including the Code of Federal Regulations, and the guidelines of the International Conference on Harmonization and other comparable regulations and guidances of any Regulatory Authority in any country or region outside of the United States, as applicable.

1.1.94 "**Governmental Authority**" means any applicable multi-national, federal, state, local, municipal or other government authority of any nature (including any governmental division, prefecture, subdivision, department, agency, bureau, branch, office, commission, council, court or other tribunal).

1.1.95 "**Gross Sales**" means revenue recognized under IFRS.

1.1.96 "**IFRS**" means International Financial Reporting Standards.

1.1.97 "**Improvement**" means all patentable and non-patentable inventions, discoveries, developments, enhancements, modifications or other know-how or improvements that derive from or relate to a Licensee Antibody, a Cytotoxic Compound or Payload, as applicable or the MTI Linker Technology, whether invented, conceived or developed by a Party, its Affiliate or a Third Party acting on a Party's behalf or jointly by both Parties or their Affiliates or Third Parties acting on their behalf.

1.1.98 "**IND**" means (a) in the United States, an Investigational New Drug Application, as defined in the FD&C Act, filed with the FDA that is required to be filed with the FDA before conducting a Clinical Trial (including all supplements and amendments that may be filed with respect to the foregoing); and (b) any foreign counterpart of the foregoing.

1.1.99 "**Indemnitee**" has the meaning set forth in Section 14.2.

1.1.100 "**Indemnitor**" has the meaning set forth in Section 14.2.

1.1.101 "**Indication**" means, with respect to a Licensed Product in a country, an indication for which it is being developed or for which Regulatory Approval is obtained for such Licensed Product in such country and shall include any subsequent Regulatory Approval for (a) any other indications for which additional Clinical Trials are not required, (b) any label expansion for an existing Indication, whether or not requiring additional Clinical Trials or (c) the use of such Licensed Product for use as a first-, second- or third-line therapy, or as an adjuvant therapy, for the same tumor type, whether or not requiring additional Clinical Trials. For clarity, [***] for any subsequent Regulatory Approval described in the foregoing clauses (a)-(c) that is obtained for a Licensed Product.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

1.1.102 "**Initiation**" means, with respect to a Clinical Trial, the dosing of the first patient with a Licensed Product pursuant to the clinical protocol for the specified Clinical Trial.

1.1.103 "**Issued Shares**" has the meaning set forth in Schedule H.

1.1.104 "**Joint Know-How**" means Know-How that is invented, conceived, or developed jointly by or on behalf of both Parties' (or their Affiliates' or Sublicensees') employees or Third Parties acting on such Parties' behalf, in each case, in the course of such Party's or Affiliates' or Sublicensees' performance under this Agreement, but that does not otherwise constitute MTI Platform Technology or Product Technology.

1.1.105 "**Joint Patent Committee**" has the meaning set forth in Section 10.3.8(a).

1.1.106 "**Joint Patent Right**" means any Patent Right that claims Joint Know-How.

1.1.107 "**Joint Research Committee**" has the meaning set forth in Section 2.5.2(a).

1.1.108 "**Joint Technology**" means the Joint Know-How and the Joint Patent Rights.

1.1.109 "**Know-How**" means all proprietary technical information, processes, formulae, data, inventions, methods, knowledge, discoveries, know-how, trade secrets and other information, whether or not patentable, but that is not generally known, including any tangible embodiments of the foregoing.

1.1.110 "**Liabilities**" has the meaning set forth in Section 14.1.1.

1.1.111 "**Licensed Product**" means any composition, combination, dosage, drug, formulation or good that incorporates one or more ADCs.

1.1.112 "**Licensee**" has the meaning set forth in the introduction to this Agreement.

1.1.113 "**Licensee Antibody**" means (a) any Antibody that is provided by or on behalf of Licensee to MTI under this Agreement and that is Directed to a Target or (b) any Improvement thereto (other than any Improvement that would cause such Antibody to not be Directed to a Target).

1.1.114 "**Licensee Know-How**" means any and all Know-How, excluding any Joint Know-How, that (a) is Controlled by Licensee or any Affiliate of Licensee as of the Original Effective Date or that comes into the Control of Licensee or any of its Affiliates at any time during the Term and (b) relates to or consists of (i) [***], (ii) [***], (iii) [***], or (iv) [***].

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

1.1.115 "**Licensee Patent Right**" means any Patent Right that claims Licensee Know-How, including the Product Patent Rights, but excluding any Joint Patent Rights.

1.1.116 "**Licensee Regulatory Documentation**" means Regulatory Documentation owned or Controlled by Licensee or any of its Affiliates on or after the Original Effective Date relating to an ADC or a Licensed Product.

1.1.117 "**Licensee Technology**" means the Licensee Patent Rights and the Licensee Know-How.

1.1.118 "**Major Market Country**" means each of the United States, Japan, France, Germany, Italy, Spain and the United Kingdom.

1.1.119 "**Manufacture**" or "**Manufacturing**" means to make, produce, manufacture, process, fill, finish, package, label, perform quality assurance testing, release, ship or store a compound or product or any intermediate or component thereof. When used as a noun, "Manufacture" or "Manufacturing" means any and all activities involved in Manufacturing a compound or product or any intermediate or component thereof.

1.1.120 "**Marketing Authorization Application**" means the application for Regulatory Approval submitted to the Committee for Medicinal Products for Human Use of the European Commission.

1.1.121 "**MHLW**" means the Ministry of Health, Labour and Welfare in Japan, or any successor entity thereto.

1.1.122 "**MTI**" has the meaning set forth in the introduction to this Agreement.

1.1.123 "**MTI Indemnitees**" has the meaning set forth in Section 14.1.2.

1.1.124 "**MTI In-License**" means each agreement listed on Schedule C to this Agreement.

1.1.125 "**MTI IP**" has the meaning set forth in the definition of Reciprocal Technology.

1.1.126 "**MTI Know-How**" means any and all Know-How, excluding any Product Know-How and Joint Know-How, that is (a) Controlled by MTI or any Affiliate of MTI as of the Original Effective Date or, subject to Section 3.7, at any time during the Term and (b) relates to or consists of a [***] of any of the foregoing and is necessary or useful to Develop, Manufacture or Commercialize or otherwise Exploit ADCs or Licensed Products, including the MTI Platform Know-How and MTI's and its Affiliates' right, title and interest in the Conjugation Know-How.

1.1.127 "**MTI Licensee**" has the meaning set forth in Section 3.11.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

1.1.128 "**MTI Linker Technology**" means Fleximer and any of its forms and sizes and varieties that MTI or its Affiliates own or otherwise Control as of the Original Effective Date, or subject to Section 3.7, at any time during the Term.

1.1.129 "**MTI Patent Right**" means any Patent Right that (a) claims MTI Know-How or (b) is otherwise Controlled by MTI or any of its Affiliates (such as, for example, as a result of a license to or acquisition of Patent Rights that does not include any license to or acquisition of Know-How) as of the Original Effective Date or, subject to Section 3.7, at any time during the Term that relates to or consists of a [***] of any of the foregoing and is necessary or useful to Develop, Manufacture or Commercialize or otherwise Exploit ADCs or Licensed Products, including the MTI Platform Patent Rights and MTI's and its Affiliates' right, title and interest in the Conjugation Patent Rights, but excluding any Joint Patent Rights or Product Patent Rights. As of the Amendment Effective Date, MTI Patent Rights includes all Patent Rights listed in Schedule B.

1.1.130 "**MTI Platform Know-How**" means all Know-How that (a) is invented, conceived or developed by or on behalf of either or both Party(ies) in the course of conducting its or their activities under this Agreement, and (b) to the extent relating to or consisting of [***], but excluding any such Know-How that is invented, conceived or developed by or on behalf of (i) Licensee (other than by MTI or its Affiliates) to the extent relating to or consisting of (A) any Antibody Directed to a Target (including a Licensee Antibody), (B) any Conjugation Know-How or (C) the Exploitation of any of the foregoing ((A) or (B)), or (ii) either or both Party(ies) that is Product Know-How.

1.1.131 "**MTI Platform Patent Right**" means any Patent Right that claims MTI Platform Know-How.

1.1.132 "**MTI Platform Technology**" means the MTI Platform Know-How and the MTI Platform Patent Rights.

1.1.133 "**MTI Prosecution Patent Rights**" is defined in Section 12.2(c).

1.1.134 "**MTI Regulatory Documentation**" means Regulatory Documentation owned or Controlled by MTI or any of its Affiliates on or after the Original Effective Date relating to a Cytotoxic Compound or Payload, as applicable, the MTI Linker Technology or other MTI Technology that is necessary or useful to Exploit an ADC or a Licensed Product. For clarity, MTI Regulatory Documentation also includes Regulatory Documentation owned or Controlled by MTI or any of its Affiliates relating to any Clinical Trial of a Co-Exploited Product conducted by or on behalf of MTI pursuant to the Co-Exploitation Terms.

1.1.135 "**MTI Technology**" means the MTI Patent Rights and the MTI Know-How.

1.1.136 "**MTI Trademarks**" has the meaning set forth in Section 10.7.

1.1.137 "**NDA**" has the meaning set forth in the definition of Regulatory Approval.

1.1.138 "**Net Sales**" means the aggregate gross invoiced amounts for all Licensed Products sold by or for Licensee, its Affiliates or Sublicensees (Licensee or such other selling person, the "**Selling Person**") to Third Parties (and not any Affiliate or Sublicensee of Licensee), in each case, after deduction (if not already deducted in the amount invoiced) of the following items paid by the Selling Person, provided and to the extent that such items are incurred or allowed and do not exceed reasonable and customary amounts in the market in which such sales occurred:

(a) any trade, quantity or cash discounts, allowances, rebates or payments actually taken and allowed, including promotional or similar discounts or rebates and discounts, rebates or payments (including compulsory payments) to governmental (national, state or local), group purchasing organizations, or managed care organizations;

(b) discounts provided in connection with coupon, voucher or similar patient programs;

(c) any credits or allowances given or made with respect to Licensed Products by reason of rejection, defects, recalls, returns, rebates, retroactive price reductions or uncollectable amounts;

(d) any tax, tariff, duty or government charge (including any sales, value added, excise or similar tax or government charge, but excluding any income tax) levied on the sale, transportation or delivery of the Licensed Products and borne by the Selling Person without reimbursement from any Third Party, including that portion of the annual fee on prescription drug manufacturers imposed by the Patient Protection and Affordable Care Act, Pub. L. No. 111-148 (as amended) and similar contributions in all countries including that certain tax with respect to pharmaceutical or biotechnology companies in France (known as the *remise conventionelle*) and including any contribution for "Drug Induced Suffering" and "Contribution for Measure for Drug Safety" payable to the Pharmaceuticals and Medical Devices Agency in Japan and equivalent taxes, fees or contributions in all other countries in the Territory, that the Selling Person allocates to sales of Licensed Products in accordance with its standard policies and procedures consistently applied across its products, as applicable;

(e) any sales, credits or allowances given or made with respect to Licensed Products for wastage replacement, indigent patient, Clinical Trial and any unpaid compassionate or named patient, charitable or humanitarian programs; and

(f) any charges for freight, packaging for shipment, postage or transportation, or for insurance, in each case to the extent borne by the Selling Person.

In the event a Licensed Product is sold as part of a Combination Product (as defined below) in a country, the Net Sales of such Licensed Product, for the purposes of determining payments based on Net Sales in such country, shall be negotiated by the Parties in good faith, which negotiations shall commence promptly following filing by or on behalf of Licensee with a Regulatory Authority for Regulatory Approval with respect to such Combination Product (provided that any failure to reach agreement with respect thereto shall not require Licensee to delay the First Commercial Sale of such Combination Product), taking into account the relative

price of each component when sold separately and in a manner consistent with industry standards. As used above, the term "**Combination Product**" means any pharmaceutical product that consists of an ADC and other active compounds or active ingredients sold as a single formulation or any combination of a Licensed Product sold together with another pharmaceutical product for a single invoiced price, and the phrases "sold as part of a Combination Product," and "sold separately" refer to sales by the Selling Person in the applicable country.

All of the foregoing deductions from the gross invoiced sales prices of Licensed Products shall be determined in accordance with applicable Accounting Standards. In the event that the Selling Person makes any adjustments to such deductions after the associated Net Sales have been reported pursuant to this Agreement, the adjustments shall be reported and reconciled in the next report and payment of any amounts due or credit issued, as applicable.

1.1.139 "**New Development**" has the meaning set forth in Section 3.7.1.

1.1.140 "**New Exclusive Target Antigen**" means each of the Exclusive Target Antigen [***].

1.1.141 "**New Technologies**" has the meaning set forth in Section 3.7.2.

1.1.142 "**New Technology Notice**" has the meaning set forth in Section 3.7.2.

1.1.143 "**New Terms**" has the meaning set forth in Section 3.7.2.

1.1.144 "**Notice of Dispute**" has the meaning set forth in Section 19.3.1.

1.1.145 "**Notice Period**" has the meaning set forth in Section 13.3.1.

1.1.146 "**Option**" has the meaning set forth in Section 3.4.

1.1.147 "**Option Exercise Date**" has the meaning set forth in Section 3.5.

1.1.148 "**Option Exercise Fee**" has the meaning set forth in Section 7.4(a).

1.1.149 "**Option Period**" means, with respect to each Designated Target Antigen that is the subject of a Research Program, the period commencing on the [***] day of the applicable Research Program Term and continuing until [***] Business Days after the end of such Research Program Term.

1.1.150 "**Original Agreement**" has the meaning set forth in the introduction to this Agreement.

1.1.151 "**Original Effective Date**" has the meaning set forth in the introduction to this Agreement.

1.1.152 "**Overage**" has the meaning set forth in Section 7.2.2.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

1.1.153 "**Overhead**" means an amount covering internal overhead costs, including equipment maintenance costs, utilities, insurance premiums, general, administrative, supervisory and facilities expenses, including allocated personnel, building operating costs and depreciation and repairs and maintenance, but excluding idle capacity charges.

1.1.154 "**Party**" and "**Parties**" are defined in the introduction to this Agreement.

1.1.155 "**Patent Right**" means any and all national, regional and international (a) issued patents and pending patent applications (including provisional patent applications), (b) patent applications filed either from the foregoing or from an application claiming priority to the foregoing, including all provisional applications, converted provisionals, substitutions, continuations, continuations-in-part, divisions, renewals and continued prosecution applications, and all patents granted thereon, (c) patents-of-addition, revalidations, reissues, reexaminations and extensions or restorations (including any supplementary protection certificates and the like) by existing or future extension or restoration mechanisms, including patent term adjustments, patent term extensions, supplementary protection certificates or the equivalent thereof, (d) inventor's certificates, utility models, petty patents, innovation patents and design patents, (e) other forms of government-issued rights comparable in scope to any of the foregoing, including so-called pipeline protection or any importation, revalidation, confirmation or introduction patent or registration patent or patent of additions to any of such foregoing and (f) United States and foreign counterparts of any of the foregoing.

1.1.156 "**Payload**" means a compound that (a) is therapeutically or biologically active [***], and (b) as of the effective date of each relevant Research Plan is not a Cytotoxic Compound. All Payloads that are identified in a Research Program as of the Amendment Effective Date are set forth on Schedule E.2, subject to updating in accordance with Section 2.2.2.

1.1.157 "**Phase I Clinical Trial**" means a Clinical Trial of a Licensed Product conducted by or on behalf of Licensee, its Affiliates or Sublicensees on a sufficient number of subjects for, and that generally provides for the first introduction into humans of a such Licensed Product with, the primary purpose of determining safety, metabolism and pharmacokinetic properties and clinical pharmacology of such product, in a manner that is generally consistent with 21 CFR § 312.21(a), as amended (or its successor regulation), excluding, for clarity any investigator-initiated Clinical Trials.

1.1.158 "**Phase II Clinical Trial**" means a Clinical Trial of a Licensed Product conducted by or on behalf of Licensee, its Affiliates or Sublicensees on a sufficient number of subjects for making (and the principal purpose of which is to make) a preliminary determination as to whether a pharmaceutical product is safe for its intended use and obtaining (and to obtain) sufficient information about such product's efficacy, in a manner that is generally consistent with 21 CFR § 312.21(b), as amended (or its successor regulation), or a similar clinical study prescribed by the Regulatory Authorities in a country outside the United States, to permit the design of further clinical trials of such Licensed Product, excluding, for clarity any investigator-initiated Clinical Trials.

1.1.159 "**Phase II Notice**" has the meaning set forth in Section 5.5.3(b).

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

1.1.160 "**Phase III Clinical Trial**" means a pivotal Clinical Trial of a Licensed Product with a defined dose or a set of defined doses of such Licensed Product and conducted by or on behalf of Licensee, its Affiliates or Sublicensees on a sufficient number of subjects for ascertaining (and that is designed to ascertain) the efficacy and safety of the intended use of such Licensed Product and determining (and to determine) warnings, precautions, and adverse reactions that are associated with such Product in the dosage range to be prescribed, in a manner that is generally consistent with 21 CFR § 312.21(c), as amended (or its successor regulation), or a similar clinical study prescribed by the Regulatory Authorities in a country outside the United States, which trial is necessary to support Regulatory Approval of such Licensed Product, excluding, for clarity any investigator-initiated Clinical Trials.

1.1.161 "**Phase IV Clinical Trial**" means (a) a Clinical Trial of a Licensed Product conducted following commencement of a Phase III Clinical Trial for such Licensed Product that is not required for receipt of Regulatory Approval (whether such Clinical Trial is conducted prior to or after receipt of such Regulatory Approval), but that may be useful in support of the post-Regulatory Approval Exploitation of such Licensed Product; or (b) a Clinical Trial of a Licensed Product conducted after Regulatory Approval of such Licensed Product has been obtained from an appropriate Regulatory Authority due to a request or requirement of such Regulatory Authority. Phase IV Clinical Trials may include epidemiological studies, modeling and pharmacoeconomic studies, post-marketing surveillance, and clinical or other research studies, excluding, for clarity any investigator-initiated Clinical Trials.

1.1.162 "**PHSA**" means the United States Public Health Service Act, as may be amended, or any subsequent or superseding law, statute or regulation.

1.1.163 "**Potential Co-Exploited Product**" means any Licensed Product containing an ADC that is Directed to a New Exclusive Target Antigen as to which MTI retains the right to exercise the Co-Exploitation Option.

1.1.164 **"Potential Co-Exploited Product Data Package**" means, with respect to a Potential Co-Exploited Product, a written report available for access by MTI through a data room during the applicable Co-Exploitation Option Period that contains (a) [***], (b) [***], (d) [***], (e) [***], (f) [***], (i) [***], (j) [***] and (k) [***]; in the case of (d) and (f), as reasonably necessary for MTI to determine whether it wishes to exercise the Co-Exploitation Option with respect to such Potential Co-Exploited Product.

1.1.165 "**Pricing Approval**" means the later of (a) the approval, agreement, determination or governmental decision establishing the price for a Licensed Product that can be legally charged to consumers, as required in a given jurisdiction or country in connection with Commercialization of such Licensed Product in such jurisdiction or country and (b) the approval, agreement, determination or governmental decision establishing, the level of reimbursement for such Licensed Product that will be reimbursed by Governmental Authorities, as required or desirable in a given jurisdiction or country in connection with Commercialization of such Licensed Product in such jurisdiction or country.

1.1.166 "**Product Know-How**" means any Know-How that (a) is invented, conceived, or developed by or on behalf of either or both Party(ies) during the Term in the

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course of conducting its or their activities under this Agreement, and (b) to the extent relating to or consisting of (i) a Target (including with respect to the binding of Antibodies to such Target or the effect of any ADC or Licensed Product on cells expressing such Target), (ii) Antibody(ies) Directed to a Target (including a Licensee Antibody), (iii) ADC(s), (iv) Licensed Product(s) or (v) the Exploitation of any of the foregoing ((i), (ii), (iii) or (iv)), but excluding any such Know-How that is invented, conceived or developed by or on behalf of MTI (other than by Licensee or its Affiliates) to the extent relating to or consisting of any Conjugation Know-How or the Exploitation thereof (such excluded Know-How, the "**Excluded MTI Conjugation Know-How**").

1.1.167 "**Product Patent Right**" means any Patent Right that claims Product Know-How.

1.1.168 "**Product Technology**" means the Product Know-How and the Product Patent Rights.

1.1.169 "**Product Trademarks**" has the meaning set forth in Section 10.7.

1.1.170 "**Promotion**" means those activities, including congresses, opinion leader management, physicians meeting, professional education, detailing, advertising and distributing samples of a product, normally undertaken by a pharmaceutical company's sales force to implement marketing plans and strategies aimed at encouraging the appropriate use of a particular product. When used as a verb, "**Promote**" shall mean to engage in Promotion.

1.1.171 "**Publication**" has the meaning set forth in Section 9.5.

1.1.172 "**Reciprocal Technology**" means any Know-How or Improvements (and any Patent Rights with respect thereto) invented, conceived, or developed by or on behalf of any MTI Licensee, whether alone or with MTI, under or in connection with a license or grant of other rights or access in, to or under any [***], as applicable, [***] or any of its Affiliates (collectively, "**MTI IP**") (a) that derive from or relate to a [***], as applicable, the [***], (b) the practice of which is necessary or useful for the Development, Manufacture, Commercialization or other Exploitation of Antibody-drug conjugates and (c) that would be MTI Technology were such Know-How or Patent Rights invented, conceived or developed by MTI alone.

1.1.173 "**Regulatory Approval**" means final regulatory approval (but excluding Pricing Approval) required to sell a Licensed Product for a disease or condition in accordance with the Applicable Laws of a given country. In the United States, its territories and possessions, Regulatory Approval means approval of a New Drug Application ("**NDA**"), Biologics License Application ("**BLA**") or an equivalent by the FDA. In Japan, Regulatory Approval means marketing approval (*seizo hanbai shonin*) by the MHLW. In the European Union, Regulatory Approval means marketing authorization from the EMA.

1.1.174 "**Regulatory Authority**" means, with respect to a country in the Territory, any national (e.g., the FDA or the MHLW), supra-national (e.g., the European Commission, the Council of the European Union, or the EMA), regional, state or local regulatory agency, department, bureau, commission, council or other Governmental Authority involved in

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the granting of a Regulatory Approval or a Pricing Approval, for biopharmaceutical products in such country.

1.1.175 "**Regulatory Documentation**" means: all (a) applications (including all INDs), registrations, licenses, authorizations and approvals (including all Regulatory Approvals and Pricing Approvals); (b) correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents with respect thereto, including all adverse event files and complaint files; (c) clinical and other data contained, referenced or otherwise relied upon in any of the foregoing; and (d) for clarity, any Drug Master File.

1.1.176 "**Replacement Antigen**" has the meaning set forth in Section 2.4.5.

1.1.177 "**Research Fee**" has the meaning set forth in Section 7.2.1.

1.1.178 "**Research License**" has the meaning set forth in Section 3.1.

1.1.179 "**Research Plan**" means, with respect to any Research Program, the plan for such Research Program, as further described in Section 2.2.

1.1.180 "**Research Program**" means each research program conducted pursuant to Article 2.

1.1.181 "**Research Program Term**" has the meaning set forth in Section 2.3.

1.1.182 "**Royalty Report**" has the meaning set forth in Section 8.1.1.

1.1.183 "**Royalty Term**" means, on a Licensed Product-by-Licensed Product and country-by-country basis, the period commencing upon the First Commercial Sale of a Licensed Product and ending upon the later to occur of ((a) and (b)):

(a) the later of:

(i) the date of expiration of the last Valid Patent Claim of the MTI Patent Rights that would be [***]; and

(ii) the date of expiration of the first to expire Valid Patent Claim of the Product Patent Rights claiming the [***];

and

(b) [***] years after the First Commercial Sale of the Licensed Product;

provided, that, notwithstanding the foregoing and for purposes of this definition of Royalty Term and Section 7.5.1(g) and 7.5.2(h) only, any MTI Patent Right that claims Excluded MTI Conjugation Know-How shall be deemed to be a Product Patent Right and not an MTI Patent Right.

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1.1.184 "**Second Amendment**" has the meaning set forth in the introduction to this Agreement.

1.1.185 "**Second Amendment Effective Date**" has the meaning set forth in the introduction to this Agreement.

1.1.186 "**Selling Person**" has the meaning set forth in the definition of Net Sales.

1.1.187 "**Study Materials**" has the meaning set forth in Section 2.2.1.

1.1.188 "**Sublicensee**" means any person or entity that is granted a sublicense under the MTI Technology by Licensee or its Affiliate in accordance with the terms of this Agreement, including Section 3.6, excluding any Third Party granted any right or license in connection with settlement of litigation pursuant to Section 10.4.

1.1.189 "**Substitutable Research Plan**" has the meaning set forth in Section 2.4.3.

1.1.190 "**Supply Fees**" has the meaning set forth in Section 7.2.1.

1.1.191 "**Target**" means a Designated Target Antigen or an Exclusive Target Antigen.

1.1.192 "**Technology Access Fee**" has the meaning set forth in Section 7.1.

1.1.193 "**Term**" has the meaning set forth in Section 13.1.

1.1.194 "**Territory**" means all countries in the world.

1.1.195 "**Third Party**" means any person or entity other than Licensee, MTI and their respective Affiliates.

1.1.196 "**Third Party Action**" has the meaning set forth in Section 11.1.1.

1.1.197 "**Third-Party Agreement**" has the meaning set forth in Section 3.7.2.

1.1.198 "**Triggering Event**" has the meaning set forth in Section 5.5.6.

1.1.199 "**Valid Patent Claim**" means with respect to a Patent Right in a country any claim of an (a) issued Patent Right that has not (i) expired, irretrievably lapsed or been abandoned, revoked, dedicated to the public or disclaimed or (ii) been found to be unpatentable, invalid or unenforceable by an unreversed and unappealable decision of a Governmental Authority in such country; or (b) application for a Patent Right that (i) has been pending for less than [***] years and is being prosecuted in good faith and has not been abandoned or finally disallowed without the possibility of appeal or re-filing and (ii) has not been admitted to be invalid or unenforceable through reissue, reexamination, or disclaimer, and which is not subject to an interference claim. In the event that a Patent Right issues from an application for a Patent

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Right described in clause (b) of this definition, the claims of such issued Patent Right will be deemed to be Valid Patent Claims from and after the date of issuance so long as it satisfies the requirements of clause (a) of this definition.

1.2 Certain Rules of Interpretation in this Agreement and the Schedules.

1.2.1 Unless otherwise specified, all references to monetary amounts are to United States of America currency (U.S. Dollars);

1.2.2 The preamble to this Agreement and the descriptive headings of Articles and Sections are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of this Agreement or of such Articles or Sections;

1.2.3 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 (and/or);

1.2.4 The words "include" and "including" have the inclusive meaning frequently identified with the phrases "without limitation" and "but not limited to";

1.2.5 The words "will" and "shall" have the same meaning;

1.2.6 Whenever this Agreement refers to a number of days, unless otherwise specified, such number refers to calendar days. Unless otherwise specified, deadlines within which any payment is to be made or act is to be done within or following a specified time period after a date shall be calculated by excluding the day, Business Day, month or year of such date, as applicable, and including the day, Business Day, month or year of the date on which the period ends;

1.2.7 Whenever any payment is to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following such day to make such payment or do such act; and

1.2.8 Unless otherwise specified, references in this Agreement to any Article, Section or Schedule shall mean references to such Article, Sections or Schedule of this Agreement.

ARTICLE 2 - RESEARCH PROGRAM

2.1 Objective and Conduct of the Research Program. The Parties will conduct a Research Program with respect to each Designated Target Antigen, each in accordance with a Research Plan, the terms of this Agreement and Applicable Law in good scientific manner. The purpose of each Research Program will be to identify, develop and evaluate ADCs for Development, Manufacture and Commercialization under this Agreement. Each Party will (a) use Commercially Reasonable Efforts to perform each Research Plan and (b) conduct the activities assigned to it under (and within the timelines contained in) each Research Plan, except, with respect to clause (b), to the extent that it is not technically feasible to do so. If MTI is in

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material breach of its obligation to perform any activity assigned to it under a Research Plan with respect to a Target (except to the extent that such breach was caused by a breach of Licensee to perform any activity under a Research Plan that was required for MTI to perform such activity (e.g., a failure by Licensee to provide materials required by MTI to perform such activity)) and fails to remedy such breach within [***] days after written notice thereof from Licensee, the

amount of the Option Exercise Fee with respect to such Designated Target Antigen shall be reduced in accordance with Section 7.4. Each Research Plan will include a budget for MTI's activities thereunder, including with respect to FTEs to be provided by MTI and Supply Fees to be included thereunder.

2.2 Research Plans.

2.2.1 Research Plan Framework. Each Research Plan will provide a framework for the applicable Research Program, which will describe the activities pursuant to which (i) Licensee will deliver to MTI specified quantities of [***] Licensee Antibodies Directed to the applicable Designated Target Antigen, (ii) MTI will create [***] ADCs using such Licensee Antibodies in quantities and meeting the specifications set forth in the Research Plan, and will deliver to Licensee any such resulting ADCs in such quantities (the "**ADC Materials**") and such Cytotoxic Compounds or Payloads, as applicable, MTI Linker Technology and other drug conjugation materials in such quantities (such materials, excluding, for clarity, ADC Materials, the "**Study Materials**"), each as contemplated under the Research Plan or agreed to by the Parties, and (iii) Licensee will have the right to [***], all as will be more specifically set forth in the applicable Research Plan.

(a) The Parties acknowledge that the work conducted in a Research Program is initial research and the results are uncertain. As a result, MTI makes no guarantee that the ADCs will meet the specifications set forth in the Research Plan.

(b) MTI acknowledges and agrees that (i) it shall not use any Licensee Antibodies or other materials supplied by Licensee to MTI for any purpose other than creating the ADCs and delivering the resulting ADCs to Licensee pursuant to, and otherwise performing its obligations under, the applicable Research Plan, (ii) it shall only use Licensee Antibodies or other materials supplied by Licensee to MTI in compliance with all Applicable Laws, (iii) it shall not transfer any Licensee Antibodies or other materials supplied by Licensee to MTI or grant any rights thereto to any Third Party without the express prior written consent of Licensee, (iv) Licensee shall retain full ownership of, and all right title and interest to and under, all Licensee Antibodies or other materials supplied by Licensee to MTI and (v) at the end of the applicable Research Program Term, or upon earlier termination of this Agreement, MTI shall at the instruction of Licensee either destroy or return any unused Licensee Antibodies or other materials supplied by Licensee to MTI.

(c) Licensee acknowledges and agrees that (i) it shall not use any Study Materials supplied by MTI to Licensee for any purpose other than evaluating ADCs as set forth in the applicable Research Plan or otherwise performing activities within the scope of the Research License (unless and until Licensee exercises an Option with respect to the applicable Designated Target Antigen, upon exercise of which Licensee shall be free to retain and use Study Materials arising out of the Research Program for such Target for any purpose within the scope

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of the Exclusive License for such Target), (ii) it shall only use Study Materials supplied by MTI to Licensee in compliance with all Applicable Laws, (iii) except as provided in a Research Plan, it shall not transfer any Study Materials supplied by MTI to Licensee or grant any rights thereto to any Third Party (other than to a permitted sublicensee under the Research License or Affiliates of Licensee and to Third Parties who conduct or who participate in the conduct of the Research Program (or any portion thereof) or Licensee's other evaluation and research activities conducted in connection therewith on behalf, and under the direction, of Licensee) without the express prior written consent of MTI (unless and until Licensee exercises an Option with respect to a Designated Target Antigen, upon exercise of which, Licensee shall be free to use Study Materials arising out of the Research Program for such Target for any purpose within the scope of the Exclusive License for such Target), (iv) MTI shall retain full ownership of, and all right, title, and interest in and to, all Study Materials supplied by MTI to Licensee and (v) at the end of the Option Period with respect to a Designated Target Antigen if Licensee has not exercised an Option for such Designated Target Antigen, or upon earlier termination of this Agreement for any reason, Licensee shall at the instruction of MTI either destroy or return any unused Study Materials supplied by MTI to Licensee under the Research Program for such Target in its possession or control.

(d) Each Party acknowledges and agrees that (i) it shall not use any ADC Materials with respect to a Designated Target Antigen for any purpose other than activities set forth in the Research Plan for such Designated Target Antigen (or, with respect to Licensee, evaluating the ADC Materials within the scope of the Research License, unless and until Licensee exercises an Option with respect to the applicable Designated Target Antigen, upon exercise of which, Licensee shall be free to use such ADC Materials for any purpose within the scope of the Exclusive License for such Target), (ii) it shall only use ADC Materials in compliance with all Applicable Laws, (iii) except as provided in a Research Plan, it shall not transfer any ADC Materials or grant any rights thereto to any Third Party (other than, with respect to Licensee, to its a permitted sublicensee under the Research License or Affiliates of Licensee and to Third Parties who conduct or who participate in the conduct of the Research Program (or any portion thereof) or Licensee's other evaluation and research activities conducted in connection therewith on behalf, and under the direction, of Licensee or, with respect to MTI, to a permitted sublicensee as set forth in Section 3.9) without the express prior written consent of the other Party (unless and until, with respect to Licensee, Licensee exercises an Option with respect to a Designated Target Antigen, upon exercise of which, Licensee shall be free to use ADC Materials arising out of the Research Program for such Target for any purpose within the scope of the Exclusive License for such Target), (iv) ADC Materials shall be and remain the joint property of both Parties (unless and until Licensee exercises its Option with respect to the applicable Designated Target Antigen, upon exercise of which, such ADC Materials arising out of the Research Program for such Target shall be owned by, and all right, title and interest in and to such ADC Materials shall be, and are hereby, assigned to, Licensee) and (v) at the end of the Option Period with respect to a Designated Target Antigen (A) if Licensee has not exercised an Option with respect to the applicable Designated Target Antigen, or upon earlier termination of this Agreement for any reason, each Party shall, unless otherwise agreed by the Parties, destroy any unused ADC Materials arising out of the Research Program for such Target in its possession or control and (B) if Licensee has exercised an Option with respect to a Designated Target Antigen, MTI shall at the instruction of Licensee either deliver to Licensee or destroy any ADC Materials arising out of the Research Program for a Target in MTI's possession or control.

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2.2.2 **Research Plans; Cytotoxic Compound and Payload Schedules**. Research Plans for each Designated Target Antigen will be developed and approved as set forth in Section 2.4.3. As of the Amendment Effective Date, the Research Plans for Designated Target [***]. Following approval as set forth in Section 2.4.3, (a) each additional Research Plan shall automatically be deemed attached hereto as part of Schedule A and numbered thereunder in accordance with the number of the corresponding Designated Target Antigen, and (b) the Parties will promptly thereafter update Schedule E.1 and Schedule E.2, as needed, to include any additional Cytotoxic Compounds and Payloads that are identified in such Research Plan at such time, and such amended schedules shall automatically be deemed to amend the existing Schedule E.1 and Schedule E.2 under this Agreement in their entirety.

2.2.3 **Changes to Research Plans**. Licensee may propose changes to a Research Plan, which shall be subject to review and approval by the Joint Research Committee, as provided in Section 2.5 (including the decision-making mechanisms set forth therein).

2.2.4 **Records and Reports**. MTI shall maintain, in good scientific manner, complete and accurate books and records pertaining to its activities under each Research Plan, in sufficient detail to verify compliance with its obligations under this Agreement and which books and records shall (a) be appropriate for patent and regulatory purposes, (b) be kept and maintained in compliance with Applicable Law, (c) properly reflect all work done and results achieved in the performance of its activities hereunder and (d) except to the extent pertaining to MTI activities that are not conducted solely with respect to a Research Plan (e.g., Manufacturing batches of Fleximer or Cytotoxic Compounds or Payloads, as applicable for general use), record only such activities and shall not include or be commingled with records of activities outside the scope of this Agreement. Such books and records shall be retained by MTI for at least [***] years after the expiration or termination of this Agreement in its entirety or for such longer period as may be required by Applicable Law. Following exercise of an Option with respect to a particular Designated Target Antigen, Licensee shall have the right, during normal business hours and upon reasonable notice, to inspect and copy all records of MTI maintained with respect to the Research Program for such Designated Target Antigen pursuant to this Section 2.2.4. MTI shall provide the Joint Research Committee with reports relating to its activities under each Research Program as provided in Section 2.5.2(b)(3).

2.3 **Term of the Research Program**. The term of the Research Program for Designated Target Antigen [***] commenced upon approval of the corresponding Research Plan under Section 2.4.3 of this Agreement as revised pursuant to the Second Amendment and in effect upon the Second Amendment Effective Date, and the term of each subsequent Research Program shall commence upon approval of a Research Plan under Section 2.4.3 of this Agreement; provided, that the term of the Research Program with respect to any Replacement Antigen shall commence upon approval of the Research Plan under Section 2.4.5. The term of each Research Program shall continue until the earlier of (a) the later of (i) completion of MTI's activities set forth in the Research Plan, including the disclosure and delivery by MTI to Licensee of any and all results, information, materials and other deliverables contemplated thereunder and (ii) [***] months following commencement of the Research Plan plus any extensions as set forth below in this Section 2.3 and (b) if such Target is Designated Target Antigen [***] (each such period, a "**Research Program Term**"). If Licensee requires additional time to conduct its evaluation and research activities under a Research Plan or if any amendment

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to a Research Plan would require additional time to be completed, then Licensee may elect, on a [***], by providing written notice thereof to MTI, to extend each Research Program Term for a total of up to [***] months. Provided that MTI is not in material breach of its obligation to perform any activity assigned to it under a Research Plan with respect to a Target (or if MTI is in material breach of such obligation, but such breach was caused by a breach of Licensee to perform any activity under a Research Plan that was required for MTI to perform such activity (e.g., a failure by Licensee to provide materials required by MTI to perform such activity) and MTI is not otherwise in material breach of its obligations under a Research Plan with respect to such Target), including as set forth in Section 2.1, Licensee will pay to MTI, subject to receipt of an applicable invoice, [***] Dollars [***] for each [***] period that a Research Program Term is extended pursuant to the preceding sentence, such amount to be paid together with providing the written notice of extension to MTI, which extension notice shall, with respect to an amendment to a Research Plan, be provided within [***] days after approval of such amendment pursuant to Section 2.2.3, and otherwise be provided not less than [***] days prior to the end of the then-current Research Program Term or extension period with respect thereto, as applicable; provided, that, if the activities set forth in the Research Plan are completed (or if Licensee exercises, or provides written notice that it will not exercise, its Option with respect to the applicable Designated Target Antigen) in such then-current Research Program Term or extension period with respect thereto, as applicable, in which an extension payment is made, such extension payment for any subsequent extension period shall be refunded to Licensee promptly following such then-current Research Program Term or extension period with respect thereto, as applicable.

2.4 **Availability of Target Antigens; Approval of New Research Plans**.

2.4.1 **Limit on Designated Target Antigens**. Licensee may designate up to seven (7) Designated Target Antigens (including the Designated Target Antigen [***], which the Parties acknowledge and agree were designated by Licensee and determined to be Available prior to the Amendment Effective Date), subject to any such Designated Target Antigen being replaced, all as set forth in this Section 2.4; provided, that (a) Licensee may only nominate the Designated Target Antigen [***] and (b) Licensee may only nominate the Designated Target Antigen [***].

2.4.2 **Gatekeeper Process**.

(a) If Licensee decides, within the time periods set forth in Section 2.4.1 (or, with respect to a Replacement Antigen, at any time during an applicable Research Program Term), to propose an Antigen that it is considering to designate as a Designated Target Antigen for purposes of this Agreement, Licensee shall provide the Gatekeeper with a confidential written description of such proposed Antigen, including to the extent available, the Name, Aliases, and UniProt/SwissProt number sequence for such proposed Antigen. Within [***] Business Days following Gatekeeper's receipt of such written notice with respect to a particular proposed Antigen, MTI shall ensure that Gatekeeper shall notify Licensee in writing whether the proposed Antigen is Available for designation as a Designated Target Antigen. The Parties hereby acknowledge and agree that a proposed Antigen shall be "**Available**" for designation by Licensee as a Designated Target Antigen unless (i) [***] (ii) [***]; in each case

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((i) and (ii)) provided, that prior to the date of receipt of such written notice from Licensee to Gatekeeper, MTI shall have [***].

(b) For clarity, in the event that the Gatekeeper notifies Licensee that a proposed Antigen is not Available pursuant to the procedures set forth in this Section 2.4.2, Licensee shall not have exhausted any of its rights to designate Designated Target Antigens hereunder.

(c) MTI shall be solely responsible for the Gatekeeper's performance of its obligations under this Agreement and MTI shall be liable for any breach by the Gatekeeper of any such obligation or any error or omission of or by the Gatekeeper in performing such obligations.

2.4.3 Designation of Target Antigen. In the event that the Gatekeeper notifies Licensee that a proposed Antigen is Available for designation as a Designated Target Antigen in accordance with Section 2.4.2, within [***] Business Days following receipt of such notice, Licensee will thereafter notify the Gatekeeper if it wishes to so designate such proposed Antigen (in which case, Licensee will also promptly provide notice to MTI that it has designated an Antigen to be a Designated Target Antigen). For clarity, Licensee shall not be [***] with respect to such Designated Target Antigen pursuant to Section 3.4 or 3.5, as applicable. Upon such designation, or in the event Licensee elects to exercise its rights under Section 2.4.6, the Parties will promptly meet to draft a Research Plan and budget for the Research Program for such Designated Target Antigen including such Cytotoxic Compound or Payload, as applicable, and MTI Linker Technology and shall use good faith efforts to agree on such Research Plan and budget with respect thereto. Upon mutual agreement by the Parties on a proposed Research Plan and budget, such Antigen shall be deemed a Designated Target Antigen hereunder (if applicable), such proposed Research Plan and budget will be deemed to be a Research Plan hereunder, the corresponding Research Program will commence, and Schedule A and Schedule F hereto shall be amended to include such Research Plan and to [***]. In the event the Parties cannot agree on a proposed Research Plan and budget within [***] days of commencing discussions with respect thereto, then, at Licensee's election, and provided that the only material change in such proposed Research Plan (as compared to the Research Plan for Designated Target Antigen [***] (as such Research Plan may be amended pursuant to Section 2.2.3)) is the change of the Designated Target Antigen (such a proposed Research Plan, a "**Substitutable Research Plan**"), the Research Plan and budget with respect to the Research Program for such Designated Target Antigen shall be deemed to be the Research Plan and budget for Designated Target Antigen [***] set forth on [***] (as such Research Plan may be amended pursuant to Section 2.2.3), whereupon such Antigen shall be deemed a Designated Target Antigen hereunder (if applicable), such proposed Research Plan and budget will be deemed to be a Research Plan hereunder, and the corresponding Research Program will commence. In the event the Parties cannot agree on a proposed Research Plan and budget with respect to the Research Program that is not a Substitutable Research Plan, within [***] days of commencing discussions with respect thereto, then Licensee shall have the right to submit such disagreement to a [***] pursuant to Section 19.3.4 for resolution. Unless otherwise agreed by the Parties, the Research Plan and budget selected by the [***], if Licensee elects to proceed thereunder, shall be deemed to be the Research Plan and budget hereunder for such Designated Target Antigen and the corresponding Research Program will commence. For clarity, if Licensee does not elect to

proceed with a Research Plan selected by a [***] pursuant to Section 19.3.4, then, unless otherwise agreed by the Parties, the corresponding Research Program will not commence, such Antigen will not be a Designated Target Antigen hereunder (including for purposes of Section 2.4.1) and no amounts will be due or payable by Licensee hereunder with respect to such Antigen. For clarity, a Research Program may only involve a [***] under this Agreement.

2.4.4 Reserved.

2.4.5 Replacement Antigen. On a Designated Target Antigen by Designated Target Antigen basis so long as [***], Licensee shall have the right to designate a different proposed Antigen as a replacement for (a) any two (2) Designated Target Antigens, in Licensee's sole discretion, except that (i) Licensee shall not have the right to designate [***], and (ii) Licensee shall not have the right to designate [***], and (b) any Designated Target Antigen upon the withdrawal of any designation of such Designated Target Antigen pursuant to Section 12.2 (each such replacement, a "**Replacement Antigen**") subject to and in accordance with the procedures described above in Section 2.4.2, for the initial designation of a target Antigen as a Designated Target Antigen (including the designation of a Research Plan with respect thereto and, agreement upon a budget for such Research Plan as provided in Section 2.4.3). For clarity, except pursuant to Section 12.2 for which there is [***], Licensee may make the replacement described in the first sentence of this Section 2.4.5 in Licensee's sole discretion, which right, for clarity, shall not be exhausted if a proposed Replacement Antigen is deemed not Available pursuant to the procedures set forth in Section 2.4.2. Once a Designated Target Antigen has been replaced by a Replacement Antigen, such initial Designated Target Antigen shall be considered a "**Former Designated Target Antigen**" and Licensee shall have no further rights or license under this Agreement to continue Development of Licensee Antibodies or ADCs Directed to such Former Designated Target Antigen. Thereafter, (x) the Replacement Antigen shall be considered a Designated Target Antigen, and (y) a Replacement Antigen with respect to Designated Target Antigen One, Designated Target Antigen Two, Designated Target Antigen Three, Designated Target Antigen Four, Designated Target Antigen Five, Designated Target Antigen Six or Designated Target Antigen Seven shall be considered, as the case may be, Designated Target Antigen One, Designated Target Antigen Two, Designated Target Antigen Three, Designated Target Antigen Four, Designated Target Antigen Five, Designated Target Antigen Six or Designated Target Antigen Seven, in each case, for purposes of this Agreement. With respect to the Replacement Antigen for the [***] to be replaced pursuant to this Section 2.4.5, Licensee shall pay to MTI Five Hundred Thousand U.S. Dollars ($500,000) within [***] Business Days following receipt of the certification from MTI with respect to such Replacement Antigen required by Section 12.2 and an invoice therefor, provided that such designation is not withdrawn during such [***] Business Day period.

2.4.6 Additional Cytotoxic Compounds and MTI Linker Technology. Licensee shall have the right to initiate a new Research Program with respect to an existing Designated Target Antigen, or an Exclusive Target Antigen, as applicable, in combination with any existing or, subject to Section 3.7, new Cytotoxic Compound, Payload or MTI Linker Technology, at any time prior to the earlier of (a) [***] and (b) the [***], which Research Program will be conducted pursuant to a new Research Plan and budget with respect thereto agreed to by the Parties in accordance with the procedures described above in Section 2.4.3 for the agreement of Research Plans and budgets. For the avoidance of doubt, [***] Technology

Access Fee will become due or payable by Licensee's exercise of its rights under this Section 2.4.6. Notwithstanding the foregoing, the restriction set forth in Section 2.4.6(b) shall be modified to refer to the "[***]" with respect to any new Research Program using a new Cytotoxic Compound or Payload.

2.4.7 **Target Exclusivity**. During the Option Period, MTI shall collaborate exclusively with Licensee with respect to each Designated Target Antigen until such time as [***] or until [***], whichever is earlier. If, however, [***], MTI shall continue to collaborate exclusively with Licensee with respect to such Designated Target Antigen (then deemed an Exclusive Target Antigen) for the remainder of the Term, unless earlier terminated pursuant to Article 13. For purposes of this Section 2.4.7, "collaborate exclusively" means that MTI shall not, [***].

2.5 **Governance of Research Program**.

2.5.1 **Primary Contacts**. Promptly following the Original Effective Date, each Party designated an individual to be reasonably available to the other Party to facilitate communication, respond to questions and otherwise coordinate the Parties' activities under this Agreement regarding, relating to or in connection with the conduct of a Research Program or Licensed Products. Such designated individual may, but is not required to, serve as a representative of its respective Party on the Joint Research Committee. A Party may replace its designated individual at any time by written notice to the other Party.

2.5.2 **Joint Research Committee**.

(a) **Formation and Composition**. Within [***] Business Days after the Original Effective Date, the Parties established a joint research committee (the "**Joint Research Committee**") composed of [***] appointed representatives of each of Licensee and MTI. A Party may change one or more of its representatives on the Joint Research Committee at any time or elect to have one of its members represented by a delegate at a meeting of the Joint Research Committee. The Joint Research Committee will be chaired by a [***] representative selected by [***] from one of the [***] members of the Joint Research Committee. The Parties may allow additional employees to attend meetings of the Joint Research Committee subject to the confidentiality provisions of Article 9.

(b) **Functions and Authority**. The Joint Research Committee will be responsible for supervising and managing the Research Program. Its functions will be:

(1) Overseeing and coordinating the progress, timelines, budget and results of the Research Program;

(2) Reviewing and approving proposed amendments to the Research Plan proposed pursuant to Section 2.2.3;

(3) Determining the frequency and content of reports to be provided by MTI regarding its activities under each Research Plan and reviewing such reports upon submission by MTI;

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(4) Determining the Estimated Pre-Payment for each Calendar Quarter during each Research Program Term (other than the first Calendar Quarter of the Term) pursuant to Section 7.2.2; and

(5) Such other matters as the Parties may mutually agree in writing.

(c) **Meetings**. During the Term of the Agreement, the Joint Research Committee will meet in person or by teleconference or videoconference at least [***] during a Research Program Term. The Joint Research Committee also may choose to meet more frequently on an as needed basis.

(d) **Decisions**. A quorum of the Joint Research Committee is required for any meeting of the Joint Research Committee, which quorum will exist if at least [***] of each Party is present. If a quorum exists, then [***] consent of all attending members of the Joint Research Committee is required in order for any decision to be approved or action taken on behalf of the Joint Research Committee. In the event that the Joint Research Committee cannot agree on an issue that is subject to its decision-making authority, [***] relating to any such issue, including amendments to the Research Plan, other than:

(1) any amendment to a Research Plan that would require MTI to perform an activity that would, in the reasonable opinion of MTI's legal counsel, infringe or misappropriate any intellectual property rights of a Third Party, in which case, such amendment shall not require such activity without MTI's consent, which consent may be withheld in MTI's reasonable discretion;

(2) amendments to any Research Plan that would require that MTI reduce the number of FTEs required under such Research Plan to [***] percent [***] the number of FTEs required under such Research Plan to more than [***] percent [***], in each case, of the number of FTEs included in such Research Program in the previous Calendar Quarter, in which case such amendment will not be approved without MTI's consent, which consent may be withheld in MTI's reasonable discretion; and

(3) amendments to any Research Plan that would require that MTI use more FTEs in any period than the [***] of FTEs required under such Research Plan (as initially approved by the Parties and without regard to amendments approved in accordance with clause (2) above), in which case such amendment will not be approved without MTI's consent, which consent may be withheld in MTI's reasonable discretion.

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(e) Minutes and Reports. The Joint Research Committee will maintain accurate minutes of its meetings, including all proposed decisions and recommended actions or decisions taken. The chairperson of the Joint Research Committee shall be responsible for preparing and issuing minutes of each such meeting within [***] days thereafter. Such minutes shall not be finalized until each Party reviews and confirms the accuracy of such minutes in writing; provided that any minutes shall be deemed approved unless a member of the Joint Research Committee objects to the accuracy of such minutes within [***] days after the circulation of the minutes by the Joint Research Committee.

(f) Duration. The Joint Research Committee will be in existence only during each Research Program Term.

ARTICLE 3 - LICENSES & OPTIONS

3.1 Research License Grants. Subject to the terms and conditions of this Agreement, MTI shall, and does hereby, grant to Licensee an exclusive (even as to MTI and its Affiliates, except to the extent required for MTI to perform its obligations under this Agreement), non-transferrable (except as set forth in Article 16), worldwide, royalty-free right and license to and under the MTI Technology and MTI's interest in the Joint Technology to conduct its activities (including research and evaluation activities) under each Research Program in accordance with Article 2 as set forth in the applicable Research Plan (whether during the Research Program Term or thereafter until the expiration of the applicable Option Period) (collectively, the "**Research License**"). The Research Plan and Research License shall include the right to evaluate and conduct research on the [***], for the sole purpose of determining Licensee's interest in exercising an Option with respect to such Designated Target Antigen, but shall specifically exclude (x) [***], (y) [***] or (z) [***]. Notwithstanding the foregoing, the Research License set forth in this Section 3.1 shall include the right to grant sublicenses through multiple tiers to Affiliates of Licensee and to Third Parties who conduct or who participate in the conduct of the Research Program (or any portion thereof) or Licensee's other evaluation and research activities conducted in connection therewith on behalf, and under the direction, of Licensee (subject to MTI's consent, which consent shall not be unreasonably withheld, delayed or conditioned); provided, that any such Affiliate and Third Party is bound to applicable provisions of this Agreement, including obligations of confidentiality and assignment of inventions comparable in scope to those included herein. The Research License shall continue until the last to expire Option Period, unless earlier terminated pursuant to Article 13. For clarity, the Research License applies only to Designated Target Antigen [***].

3.2 Exclusive License Grants.

3.2.1 Upon the occurrence of the applicable events provided in Section 3.2.2 below with respect to an Exclusive Target Antigen and subject to the terms and conditions of this Agreement, MTI shall, and does hereby, grant to Licensee an exclusive (even as to MTI and its Affiliates, except to the extent required for MTI to perform its obligations under this Agreement), non-transferrable (except as set forth in Article 16), royalty-bearing (a) right and license to and under the MTI Technology and MTI's interest in the Joint Technology, and (b) right to access and reference the MTI Regulatory Documentation, in each case ((a) and (b)), with the right to sublicense (through multiple tiers) as permitted in Section 3.6, to Develop,

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Manufacture, Commercialize and otherwise Exploit ADCs and Licensed Products, in each case, Directed to such Exclusive Target Antigen, within the Field in the Territory (collectively, the "**Exclusive License**").

3.2.2 With respect to each Exclusive Target Antigen, the Exclusive License shall be in effect upon exercise of the applicable Option with respect to the applicable Designated Target Antigen pursuant to Section 3.4 or 3.5, as applicable, and, in addition, with respect to the Exclusive Target Antigen [***], upon MTI's receipt of the applicable Option Exercise Fee set forth in Section 7.4(a) with respect thereto. The Parties acknowledge and agree that Licensee paid to MTI the Option Exercise Fee for Designated Target Antigen [***] prior to the Amendment Effective Date.

3.2.3 Each Exclusive License shall continue (x) for the applicable Royalty Term, unless earlier terminated pursuant to Article 13, subject to payment of applicable milestones, and royalties, and, with respect to the Exclusive Target Antigen [***], the Technology Access Fees set forth in Section 7.1, in each case, applicable to each such Exclusive License, and (y) thereafter, as provided in Section 13.5.4.

3.2.4 During the Term, neither MTI nor its Affiliates shall carry out, conduct or engage in any activity, by itself or with or through any Third Party, directly or indirectly, to Develop, Manufacture or Commercialize or otherwise Exploit any Antibody products Directed to a Target that contain or use MTI Linker Technology, any Cytotoxic Compound or Payload, as applicable or any other MTI Technology, including ADCs or Licensed Products, in the Territory or grant any right or license, including granting any covenant not to sue, with respect to any of the foregoing.

3.3 Other License Grants. Except as set forth in the Research License and the Exclusive License, and subject to the provisions of this Agreement, each Party hereby grants to the other Party a worldwide, non-exclusive, royalty-free, fully-paid and perpetual right and license, with rights to sublicense through multiple tiers, under its respective right, title and interest in the Conjugation Technology, for all purposes.

3.4 Grant of Options. Subject to the provisions of this Agreement, MTI hereby grants Licensee [***] exclusive options, exercisable during the applicable Option Periods, to obtain an Exclusive License described in Section 3.2, with respect to each of the [***] Designated Target Antigens (each, an "**Option**"). The Parties acknowledge and agree that Licensee exercised the Option with respect to Designated Target Antigen [***] prior to the Amendment Effective Date. Further, for clarity, Licensee will be deemed to have exercised the Option with respect to Designated Target Antigen [***] upon designation of each such Designated Target Antigen in accordance with Section 2.4.3.

3.5 **Procedure to Exercise Option for Designated Target Antigen** [***]. At any time during the applicable Option Period with respect to Designated Target Antigen [***], Licensee shall have the right to notify MTI in writing that it desires to obtain the Exclusive License to such Designated Target Antigen. Together with providing such notice to MTI (the date of such notice by Licensee of such Option being exercised referred to herein as the "**Option Exercise Date**"), Licensee shall pay MTI the applicable Option Exercise Fee described in

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Section 7.4, if any, whereupon (a) such Designated Target Antigen shall automatically become an Exclusive Target Antigen for purposes of this Agreement and (b) Licensee shall be, and is hereby, granted an Exclusive License with respect to such Exclusive Target Antigen in accordance with Section 3.2, without any further action of the Parties. If during the applicable Option Period with respect to an Option, Licensee determines it will not exercise such Option, Licensee shall so notify MTI in writing. The Parties acknowledge and agree that Licensee exercised the Option with respect to Designated Target Antigen One and paid the applicable Option Exercise Fee with respect thereto prior to the Amendment Effective Date.

3.6 **Rights to Sublicense**.

3.6.1 Licensee shall have the right to grant sublicenses through multiple tiers of each Exclusive License granted to Licensee pursuant to this Agreement to any Affiliate or any Third Party, subject to [***]. Except as expressly provided in Section 3.1, Licensee shall not have the right to sublicense the MTI Technology outside the scope of the Exclusive Licenses granted herein. As a condition to granting any sublicense hereunder, Licensee shall require each Sublicensee (other than a Sublicensee acting on behalf of Licensee hereunder, with respect to which Licensee will use good faith efforts to require each such Sublicensee) to cross-license or otherwise transfer or convey back to Licensee, with the right to grant sublicenses or licenses, as applicable, through multiple tiers, all Know-How or Improvements (and any Patent Rights with respect thereto) invented, conceived, or developed by or on behalf of any such Sublicensee, whether alone or with Licensee or a Third Party, that would be MTI Platform Technology or Conjugation Technology were such Know-How or Patent Rights invented, conceived or developed solely by Licensee. Licensee shall remain obligated for all of its obligations under this Agreement, to the extent not satisfied by or on behalf of Licensee or any Sublicensee, and, as between the Parties, will remain liable for all acts or omissions of its Sublicensees under any Exclusive License. Licensee shall notify MTI within a reasonable period after granting any sublicense under any Commercialization rights to a Licensed Product to a Third Party (other than a Third Party acting on behalf of Licensee hereunder).

3.6.2 Licensee shall make all payments due to MTI pursuant to this Agreement by reason of achievement of any fees, milestones and royalties set forth herein by any Sublicensee. Licensee will further require any Sublicensee to comply with all terms of this Agreement applicable to such Sublicensee (including all terms of this Agreement and the MTI In-Licenses expressly identified as applicable to a Sublicensee).

3.7 **Improvements and New Technologies**.

3.7.1 Except with respect to New Technologies (which are governed by Section 3.7.2), MTI shall provide Licensee notice of (in accordance with this Section 3.7.1) and, if, and to the extent requested by Licensee, access with respect to a Target (a) during the Research Program Term with respect to such Target and until the conclusion of such Research Program with respect to such Target, [***]; (b) after the Research Program Term until receipt of written notice from a Regulatory Authority in a Major Market Country of acceptance of submission (or other acceptance of submission by a Regulatory Authority in a Major Market Country) of the first BLA by a Regulatory Authority in a Major Market Country for the [***]; and (c) during the Term, [***], in each case ((a), (b), and (c)), the practice of which is necessary

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or useful for the Development, Manufacture or Commercialization of Antibody-drug conjugates Directed to such Target, including all relevant information and materials with respect to any such [***] (each, a "**New Development**"). Such notice of a New Development with respect to a Target shall be provided by MTI (x) with respect to [***], (y) with respect to [***], and (z) with respect to [***].

3.7.2 Subject to the last sentence of this Section 3.7.2, MTI shall notify Licensee (in accordance with this Section 3.7.2) of any agreement with a Third Party (each, a "**Third-Party Agreement**") entered into by MTI or any of its Affiliates [***] (collectively, the "**New Technologies**"), by providing to Licensee a written description of the New Technologies (each, a "**New Technology Notice**"), including all [***] (the "**New Terms**"). Licensee shall have [***] days from receipt of such notice to notify MTI that it elects to exercise a right of negotiation to obtain sublicense rights to practice such New Technology(ies). If Licensee provides notice that it does not wish to exercise such right of negotiation or fails to provide notice during such [***] day period, MTI shall be free to sublicense such rights without further obligation under this Section 3.7.2. If Licensee duly exercises its right of negotiation, the Parties shall negotiate in good faith modifications to this Agreement to reflect such New Terms and other economic terms agreed to by the Parties for a period of not less than [***] months; provided, that the MTI Technology shall be deemed to include such New Technologies and the agreement with such Third Party with respect to such New Technologies shall be deemed to be a Future MTI In-License only [***]. With respect to any Third-Party Agreement that limits the [***]. With respect to any other Third-Party Agreement, MTI may [***]; provided that if MTI sublicenses such rights to a Third Party prior to the earlier of (i) [***] and (ii) [***]. Without limiting, and subject to, Licensee's rights under this Section 3.7.2, [***]. Notwithstanding anything to the contrary, Licensee's rights under this Section 3.7.2 shall expire on [***] under this Section 3.7.2 shall apply only with respect to Third-Party Agreements entered into prior to [***]. Such notice of a Third-Party Agreement required by the first sentence of this Section 3.7.2 shall be provided by MTI (x) [***], (y) with respect to any other Third-Party Agreement executed by the parties thereto prior to [***], and (z) with respect to any other Third-Party Agreement executed by the parties thereto [***].

3.7.3 For clarity, the Parties acknowledge that, subject to Section 3.7.1 and Section 3.7.2, MTI's interest in any new Cytotoxic Compounds, MTI Linker Technology, other MTI Technology or Improvements (including applicable New Technologies) shall be included in the MTI Technology and made available and provided to Licensee via the Research License or Exclusive License provided in this Article 3. MTI shall amend Schedule B

to add the Patent Rights Controlled by MTI covering such new Cytotoxic Compounds, MTI Linker Technology, other MTI Technology or Improvements (including applicable New Technologies). Such amended schedule shall be promptly delivered to Licensee.

3.8 Compliance with the MTI In-Licenses.

3.8.1 Licensee, its Affiliates and Sublicensees shall comply with all obligations, covenants and conditions of the MTI In-Licenses and any Future MTI In-Licenses, and any amendments thereto following written disclosure and notice thereof (and consent by Licensee pursuant to Section 3.8.2) to Licensee, that apply under each of the MTI In-Licenses and any Future MTI In-Licenses to Licensee, its Affiliates or Sublicensees, as applicable.

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3.8.2 MTI will not terminate or enter into any amendment to an MTI In-License or any Future MTI In-License that would adversely affect Licensee or otherwise adversely effect, limit, restrict, impact or otherwise impair Licensee's rights, or impose additional obligations on Licensee, under this Agreement without first obtaining the prior written consent of Licensee and will not commit any acts or permit the occurrence of any omissions that would cause breach or termination of any MTI In-License or any Future MTI In-License; provided, that upon becoming aware of any such breach occurring and prior to any such termination right being triggered with respect to an MTI In-License or Future MTI In-License, MTI will promptly provide notice thereof to Licensee and, unless and until a MTI In-License or Future MTI In-License provides (or MTI enters into a written agreement, including an amendment to such MTI In-License or Future MTI In-License, providing) that Licensee's rights under such MTI In-License or Future MTI In-License granted hereunder would survive any termination of such MTI In-License or Future MTI In-License without imposing any additional obligations on Licensee, Licensee shall have the right, but not the obligation, to perform any such acts or remedy any such omissions on behalf of MTI, at MTI's cost and expense, and Licensee shall have the right to offset any costs or expenses incurred by it in exercising its rights under this Section 3.8.2 against any payments owed to MTI under this Agreement; provided, further, that if MTI in good faith disputes any such breach or termination right and is contesting such breach or termination right pursuant to the terms of the applicable MTI In-License or Future MTI In-License during the applicable cure period thereunder with respect thereto, Licensee shall not exercise the foregoing right until such time as Licensee determines in good faith that such performance or remedy is necessary to preserve any of Licensee's rights under this Agreement with respect to such MTI In-License or any Future MTI In-License.

3.9 License to MTI. Subject to the provisions of this Agreement, including Sections 2.2.1(b) and 2.2.1(d), Licensee hereby grants to MTI, during the applicable Research Program Term, a non-exclusive, non-transferrable (except as set forth in Article 16), royalty-free right and license to and under the Licensee Technology and Licensee's interest in the Joint Technology in the Territory solely for MTI to conduct its activities under each Research Plan. MTI shall have the right to sublicense the Licensee Patent Rights and Licensee Know-How to Affiliates and Third Parties who conduct or who participate in the conduct of the Research Program (or any portion thereof) on behalf, and under the direction, of MTI; provided, that (x) any such Affiliate or Third Party is bound to applicable provisions of this Agreement, including obligations of confidentiality and assignment of inventions comparable in scope to those included herein, and (y) MTI shall first obtain Licensee's prior written consent to such sublicenses and the terms thereof.

3.10 Right of Negotiation. In the event that Licensee determines to sublicense its rights to Commercialize a Licensed Product under an Exclusive License in its entirety or with respect to one or more country(ies) to a Third Party, Licensee shall so notify MTI of such determination, which notice shall include the rights contemplated to be sublicensed, including the proposed territory and other material rights and obligations for such proposed sublicense. MTI shall have [***] days from receipt of such notice to notify Licensee that it elects to exercise a right of negotiation to obtain and undertake all such proposed rights and obligations, as described in this Section 3.10. If MTI provides notice that it does not wish to exercise such right of negotiation or fails to provide notice during such [***] day period, Licensee shall be free to sublicense such rights without further obligation under this Section 3.10. If MTI duly exercises

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its right of negotiation, MTI and Licensee shall negotiate in good faith the terms of such sublicense for a period of not less than [***] months. If such good faith negotiation does not result in a binding agreement, Licensee may sublicense such rights to a Third Party without further obligation under this Section 3.10 at any time within the [***] month period following the date of expiration of the [***] month negotiation period. If Licensee does not complete a sublicense agreement to a Sublicensee within such [***] month period or Licensee determines to grant a sublicense on terms more favorable to the applicable proposed Sublicensee, when taken as a whole, than those last offered by Licensee, then Licensee shall be required to re-offer such rights to MTI before offering such rights to a Third Party and such offer shall be then subject to the timelines and process above. Notwithstanding anything to contrary, the obligations of this Section 3.10 shall not apply with respect to any proposed agreement with a Third Party (a) covering both rights to be sublicensed hereunder as well as rights or obligations relating to other products of Licensee or its Affiliates or such Third Party or (b) that is of the type or scope with respect to which Licensee enters into in the ordinary course with similarly situated products, services or territories.

3.11 Reciprocal Rights. MTI shall not have the right to grant any right, title or interest in, to or under any MTI Platform Technology invented, conceived, or developed by or on behalf of Licensee or its Affiliates (other than by MTI or its Affiliates) to (or to Exploit any such MTI Platform Technology with, through or for the benefit of) any Affiliate of MTI or any Third Party (each, an "**MTI Licensee**"), unless such MTI Licensee has agreed to (a) [***], including all relevant information and materials with respect thereto, and (b) [***] (including to Licensee).

ARTICLE 4 - TECHNOLOGY DISCLOSURE; MATERIAL TRANSFERS

4.1 Disclosure of MTI Technology. Following Licensee's exercise of an Option with respect to a Designated Target Antigen under a Research Program, MTI shall (a) disclose and make available to Licensee such MTI Know-How ([***]) and for procuring Third Party arrangements for obtaining clinical and commercial supplies of such Licensed Products (or any intermediate or component thereof) and (b) upon Licensee's reasonable request and with at least

[***] Business Days' notice to MTI, make available to Licensee at MTI's facilities, MTI's personnel to provide a reasonable amount of technical assistance and training to Licensee's personnel in order to enable Licensee to use the MTI Technology and MTI Regulatory Documentation or in establishing or procuring Third Party arrangements for obtaining clinical or commercial supplies of ADCs or Licensed Products (or any intermediate or component thereof). Licensee shall pay to MTI for such assistance set forth in clauses (a) and (b) above, an amount equal to the FTE Fees in accordance with Section 7.2 for MTI employees to the extent reasonably required to provide such assistance, including as directed by Licensee. Licensee shall reimburse MTI for any reasonable and verifiable out-of-pocket costs incurred by MTI in making such disclosures and providing such assistance and training in accordance with Section 7.2.

4.2 Material Transfers. All material provided by a Party hereunder will be accompanied by environmental, health and safety information reasonably available to the providing Party, including material safety data sheets, and such information will be updated with any material changes thereto of which the providing Party is aware. Each Party assumes all liability for damages that may arise from its access to, use, testing, administration, storage, or disposal of material received hereunder from the other Party, other than such liability arising out

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of any claim of infringement or misappropriation of any intellectual property right based on its use in accordance with this Agreement.

4.3 Cooperation with Governmental Authorities. Following Licensee's exercise of an Option with respect to a Designated Target Antigen, upon request by Licensee, MTI shall provide the FDA and other applicable Governmental Authorities or Regulatory Authorities full access to all MTI Regulatory Documentation and related MTI Know-How, in each case, to the extent necessary for the FDA and other applicable Governmental Authorities or Regulatory Authorities to consider and approve Licensee, an Affiliate, a Sublicensee or a Third Party as a manufacturer of the Licensed Products, or to consider and act upon any filings with such Governmental Authorities or Regulatory Authorities with respect to Licensed Products, including for Regulatory Approvals of the Licensed Products. Licensee shall pay to MTI for such assistance under this Article 4 an amount equal to the FTE Fees in accordance with Section 7.2 for MTI employees to the extent reasonably required to provide such assistance, including as directed by Licensee. Licensee shall reimburse MTI for any reasonable and verifiable out-of-pocket costs incurred by MTI in providing such access in accordance with Section 7.2.

ARTICLE 5 - DEVELOPMENT AND COMMERCIALIZATION; MANUFACTURING

5.1 In General; Diligence. Upon exercise of an Option with respect to a Designated Target Antigen, as between the Parties, Licensee shall have the sole right and responsibility, at its sole expense, for all aspects of the Development, Manufacture, Commercialization and other Exploitation of ADCs and Licensed Products, except with respect to those obligations of MTI in support thereof as provided hereunder, including as set forth in Article 4 and Sections 5.3 and 6.1. Upon exercise of an Option with respect to a Designated Target Antigen, Licensee shall use Commercially Reasonable Efforts to (a) Develop and obtain Regulatory Approval for a Licensed Product Directed to such Target in [***], and (b) Commercialize such Licensed Product in any country or jurisdiction in which Regulatory Approval and Pricing Approval is obtained for such Licensed Product. Without limiting the foregoing, upon exercise of an Option with respect to a Designated Target Antigen, Licensee shall use Commercially Reasonable Efforts to (i) conduct such preclinical studies and Clinical Trials as are necessary or desirable to obtain Regulatory Approvals for a Licensed Product Directed to such Target in each Major Market Country, and (ii) obtain any necessary approvals to market such Licensed Product in each Major Market Country (including, where necessary, Pricing Approval). Licensee shall comply with all Applicable Laws (including Good Laboratory Practices, Good Clinical Practices, and Good Manufacturing Practices) in the Development, Manufacture, and Commercialization of such Licensed Products, and shall require its Affiliates and Sublicensees to do the same.

5.2 Funding and Progress Reports. Except as set forth herein, as between MTI and Licensee, Licensee shall be solely responsible for funding all costs of the Development, Manufacture and Commercialization of Licensed Products pursuant to an Exclusive License. Licensee shall keep MTI informed in a timely manner as to the progress of the Development of Licensed Products as set forth in this Section 5.2. On a Licensed Product-by-Licensed Product basis, beginning upon Licensee's exercise of an Option with respect to the applicable Designated Target Antigen and ending upon such time that MTI is granted access to the data room for such Licensed Product pursuant to Section 5.5.2, Licensee shall provide MTI, through its designated contact person identified in accordance with Section 2.5.1, with a written report annually within

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[***] days following the end of each Calendar Year that provides a summary of Licensee's significant activities related to Development and Commercialization of each Licensed Product and status of Clinical Trials and applications for Regulatory Approval necessary for marketing such Licensed Product; provided that, following such time that MTI is granted access to the data room for a Licensed Product pursuant to Section 5.5.2, if MTI does not exercise the Co-Exploitation Option during the Co-Exploitation Option Period applicable to such Licensed Product, then Licensee shall thereafter resume providing annual reports with respect to such Licensed Product in accordance with the foregoing. Such reports shall be deemed Licensee's Confidential Information for the purposes of Article 9.

5.3 Manufacturing. Following Licensee's exercise of an Option with respect to a Designated Target Antigen, except as otherwise expressly set forth in this Agreement, Licensee shall be responsible for all Manufacturing and supply of Licensed Products. At such times as Licensee shall request, MTI shall disclose to Licensee the names of MTI's existing, back-up or alternative suppliers of Cytotoxic Compounds or Payloads, as applicable and Fleximer (or any intermediate or component thereof or other materials, reagents or compositions (including linkers) that are necessary or useful to Manufacture any ADC or Licensed Product) and, from and after the first exercise of an Option, Licensee shall have the right to enter into agreements with such existing and back-up or alternative suppliers to Manufacture ADCs and Licensed Products (and any intermediate or component thereof) on its behalf. Licensee shall not have the right under this Section 5.3 to contact any of MTI's suppliers with respect to the Manufacture of ADCs and Licensed Products unless and until Licensee has exercised its first Option. In the event MTI agrees to provide any assistance beyond the limited activities described in this Section 5.3 or Article 4 or to supply any

materials beyond those contemplated in the Research Plan directly to Licensee, the Parties shall negotiate in good faith a separate agreement governing the terms of any such assistance or supply by MTI, including relevant prices and other such terms as may be appropriate and customary in agreements for providing such assistance or for supplying similar products at similar volumes.

5.4 Booking of Sales; Distribution. As between the Parties, Licensee shall have the sole right to invoice and book sales, establish all terms of sale (including pricing and discounts) and warehouse and distribute the Licensed Products in the Territory and perform or cause to be performed all related services. As between the Parties, Licensee shall handle all returns, recalls or withdrawals, order processing, invoicing, collection, distribution and inventory management with respect to the Licensed Products in the Territory. Licensee shall notify MTI within a reasonable period after commencing any recall of any Commercial lot of Licensed Product.

5.5 Option for Co-Development, Co-Commercialization, Co-Promotion, and Profit Sharing Rights.

5.5.1 Co-Exploitation Option. Subject to the provisions of this Agreement, Licensee hereby grants MTI an exclusive option to co-Develop, co-Commercialize, and co-Promote one Potential Co-Exploited Product pursuant to the Co-Exploitation Terms (the "**Co-Exploitation Option**"). For clarity, notwithstanding the definition of "Exploit", the Co-Exploitation Option does not include any right for MTI to obtain rights to Manufacture any Potential Co-Exploited Product. The Co-Exploitation Option is exercisable with respect to a single Potential Co-Exploited Product during the period commencing on the Amendment

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Effective Date and continuing until the first to occur of [***] or the date on which the [***] pursuant to Section [***], as applicable (the "**Co-Exploitation Option Period**").

5.5.2 Provision of Potential Co-Exploited Product Data Packages. Until such time as MTI has first exercised the Co-Exploitation Option, Licensee shall provide MTI with prompt written notice identifying the applicable Potential Co-Exploited Product at the earlier of (a) such time that Licensee determines to [***] to such Potential Co-Exploited Product and (b) the [***] of such Potential Co-Exploited Product. Concurrently with such notice, Licensee shall make available to MTI a data room populated with the then current Potential Co-Exploited Product Data Package for such Potential Co-Exploited Product. Following MTI's notification to Licensee, Licensee will provide MTI with credentials to access such Potential Co-Exploited Product Data Package in such data room and will use reasonable efforts to update such Potential Co-Exploited Product Data Package to include available data from [***] if any, and will make appropriate personnel reasonably available to MTI to answer questions with respect to such Potential Co-Exploited Product Data Package, during the Co-Exploitation Option Period. MTI will have [***] Business Days after Licensee makes a Potential Co-Exploited Product Data Package available to review such Potential Co-Exploited Product Data Package to determine in good faith whether such Potential Co-Exploited Product Data Package is complete or to make additional requests in writing to complete such Potential Co-Exploited Product Data Package. Any such additional requests shall specifically identify which elements required to be provided in the Potential Co-Exploited Product Data Package have not been provided. If Licensee agrees that such additional information so requested is required to be provided in order to complete the Potential Co-Exploited Product Data Package, the process outlined above shall be repeated, except that MTI will have [***] Business Days after such information is provided to determine in good faith whether such Potential Co-Exploited Product Data Package is complete. If Licensee does not agree that such additional information is required to be provided in order to complete the Potential Co-Exploited Product Data Package, the matter shall be resolved in accordance with Section 19.3.

5.5.3 Exercise of Co-Exploitation Option.

(a) If Licensee provides access to a Potential Co-Exploited Product Data Package pursuant to Section 5.5.2(a), MTI shall have [***] days after Licensee makes the complete Potential Co-Exploited Product Data Package available to MTI (including any additional material or information requested by MTI, and agreed by Licensee to be required to be provided in order to complete the Potential Co-Exploited Product Data Package pursuant to Section 5.5.2) to provide Licensee with written notice as to whether MTI is exercising the Co-Exploitation Option with respect to the corresponding Potential Co-Exploited Product.

(b) If Licensee provides access to a Potential Co-Exploited Product Data Package pursuant to Section 5.5.2(b), Licensee shall provide written notice to MTI promptly following the Initiation of the [***], after which MTI shall have [***] days to provide Licensee with written notice as to whether MTI is exercising the Co-Exploitation Option with respect to such Potential Co-Exploited Product.

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5.5.4 Effects of Exercise of Co-Exploitation Option. If MTI exercises the Co-Exploitation Option during the applicable Co-Exploitation Option Period by providing written notice thereof to Licensee as set forth in Section 5.5.3(a) or 5.5.3(b), as applicable, then:

(a) MTI shall pay all or a portion of the Co-Exploitation Option Exercise Fee concurrently with such notice, in accordance with Section 5.5.4(b), except that the period for MTI to pay the Co-Exploitation Option Exercise Fee shall be extended for any period that may be necessary for the Parties to agree in good faith on a share purchase agreement pursuant to subsection (b) below if MTI has elected to pay the Co-Exploitation Option Exercise Fee through Issued Shares in accordance with such subsection; and the Co-Exploitation Option shall not be considered exercised during such extended period.

(b) If Licensee provides notice to MTI pursuant to Section 5.5.2(a) prior to completion of, and delivery to MTI of the final report with respect to, [***] for the applicable Potential Co-Exploited Product, and MTI thereafter exercises the Co-Exploitation Option with respect to such Potential

Co-Exploited Product pursuant to Section 5.5.3(a), [***] Dollars [***] shall be paid concurrently with MTI's notice that it is exercising the Co-Exploitation Option, with the balance of the Co-Exploitation Option Fee to be paid within [***] days after Licensee's notice of the Initiation of the [***] of such Co-Exploited Product. If Licensee provides notice to MTI pursuant to Section 5.5.2(a) after completion of, and delivery to MTI of the final report with respect to, [***] for the applicable Potential Co-Exploited Product and before [***] for the applicable Potential Co-Exploited Product, and MTI thereafter exercises the Co-Exploitation Option with respect to such Potential Co-Exploited Product pursuant to Section 5.5.3(a), [***] Dollars [***] shall be paid concurrently with MTI's notice that it is exercising the Co-Exploitation Option, with the balance of the Co-Exploitation Option Fee to be paid within [***] days after Licensee's notice of the [***] of such Co-Exploited Product. In all other cases, the full amount of the Co-Exploitation Option Exercise Fee shall be paid concurrently with MTI's notice that it is exercising the Co-Exploitation Option. MTI may pay the Co-Exploitation Option Exercise Fee, in its sole discretion: (i) in U.S. Dollars or (ii) in accordance with a share purchase agreement to be negotiated by the Parties in good faith on the terms set forth in Schedule H.

(c) Upon exercise of the Co-Exploitation Option, and without any further action of the Parties, the Exclusive License set forth in Section 3.2 with respect to the applicable Exclusive Target Antigen shall become co-exclusive (together with MTI) with respect to the Co-Exploited Product (such co-exclusive license, the "**Co-Exploitation License**") to the extent necessary for MTI to exercise its rights and perform its obligations under the Co-Exploitation Terms.

(d) Following exercise of the Co-Exploitation Option, Licensee shall provide MTI with a copy of the most recent Potential Co-Exploited Product Data Package for the Co-Exploited Product and will subsequently terminate access to any other Potential Co-Exploited Product Data Package to which MTI has access to under Section 5.5.2.

5.5.5 Failure to Exercise Co-Exploitation Option. If MTI does not notify Licensee that MTI is exercising the Co-Exploitation Option with respect to a Potential Co-Exploited Product (or notifies Licensee that MTI is not exercising the Co-Exploitation Option

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with respect to a Potential Co-Exploited Product) within the period set forth in Section 5.5.3(a) or 5.5.3(b), as applicable, the Co-Exploitation Option Period shall expire with respect to such Potential Co-Exploited Product, such Potential Co-Exploited Product shall no longer be a Potential Co-Exploited Product hereunder, and Licensee shall, subject to Section 3.10, be free to grant any Third Party rights with respect thereto; provided that, notwithstanding the foregoing, if Licensee has provided notice to MTI pursuant to Section 5.5.2(a) and MTI does not exercise the Co-Exploitation Option with respect to the Potential Co-Exploited Product that is the subject of such notice, such Potential Co-Exploited Product shall again be a Potential Co-Exploited Product hereunder if Licensee does not grant any Third Party rights to such Potential Co-Exploited Product and Licensee thereafter Initiates a first [***] Clinical Trial with respect to such Potential Co-Exploited Product.

5.5.6 Option to Replace Co-Exploited Product. If, at any time following MTI's initial exercise of the Co-Exploitation Option, (a) Licensee determines to completely terminate the Development of the Co-Exploited Product or (b) neither Licensee nor MTI undertakes any material Development activities for a period of [***] consecutive months after MTI exercises the Co-Exploitation Option with respect to such Co-Exploited Product (such occurrence ((a) or (b), a "**Triggering Event**"), but prior to the [***] of such Co-Exploited Product, then MTI shall have the right to exercise the Co-Exploitation Option again with respect to one (1) [***] pursuant to this Section 5.5.6 (except that in no event may MTI replace (x) the Co-Exploited Product [***] or (y) the Co-Exploited Product [***]. In the event that MTI believes that a Triggering Event has occurred, MTI shall promptly provide notice thereof to Licensee. Unless Licensee provides notice within [***] days following Licensee's receipt of such notice from MTI that it disputes that a Triggering Event has occurred (in which case the Parties will promptly confer to discuss such matter in good faith), then within [***] Business Days after MTI's notice to Licensee or Licensee's notice to MTI of the occurrence of a Triggering Event:

(a) Licensee shall provide written notice to MTI identifying all other Potential Co-Exploited Products with regard to which no [***] and no rights have been sublicensed to a Third Party in accordance with Section 3.10 or stating that there are no such Potential Co-Exploited Products. Concurrently with such notice (with respect to each Potential Co-Exploited Product for which the [***] or following Initiation of the [***] (with respect to each Potential Co-Exploited Product for which the [***] has not yet commenced), Licensee shall make available to MTI a data room populated with the then current Potential Co-Exploited Product Data Package for each such Potential Co-Exploited Product. Following MTI's notification to Licensee to be made on a Potential Co-Exploited Product-by-Potential Co-Exploited Product basis, Licensee will provide MTI with credentials to access the applicable Potential Co-Exploited Product Data Package in such data room and will use reasonable efforts to update such Potential Co-Exploited Product Data Package to include available data from each applicable [***] and make appropriate personnel reasonably available to MTI to answer questions with respect to such Potential Co-Exploited Product Data Package(s) during the applicable Co-Exploitation Option Term. If Licensee has provided MTI with access to the Potential Co-Exploited Product Data Package following MTI's request, MTI shall have [***] days after receipt of [***] for the applicable Potential Co-Exploited Product to provide Licensee with written notice as to whether MTI is exercising the Co-Exploitation Option with respect to such Potential Co-Exploited Product. For clarity, the exercise of the Co-Exploitation Option with

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respect thereto shall be subject to payment of an additional Co-Exploitation Option Exercise Fee for the new Co-Exploitation Option exercise, which shall be paid in cash and not Issued Shares.

(b) If MTI does not notify Licensee that MTI is exercising the Co-Exploitation Option with respect to a Potential Co-Exploited Product (or notifies Licensee that MTI is not exercising the Co-Exploitation Option with respect to a Potential Co-Exploited Product) within the period set forth

in subsection (a) above, the Co-Exploitation Option Period shall expire with respect to such Potential Co-Exploited Product, such Potential Co-Exploited Product shall no longer be a Potential Co-Exploited Product, and Licensee shall, subject to Section 3.10, be free to grant any Third Party rights with respect thereto.

(c) If MTI exercises the Co-Exploitation Option pursuant to this Section 5.5.6, the consequences set forth in Sections 5.5.4(c) and 5.5.4(d) shall apply with respect to the replacement Co-Exploited Product, the original Co-Exploited Product shall no longer be considered a Co-Exploited Product hereunder, and MTI shall have no further right pursuant to this Section 5.5.6 to designate any other replacement Co-Exploited Product.

ARTICLE 6 - REGULATORY MATTERS

6.1 **Regulatory Assistance**. As between the Parties, Licensee shall (a) be solely responsible for, and shall solely own, all applications for Regulatory Approval and Pricing Approval with respect to a Licensed Product and (b) without limitation of the foregoing, have the sole right to (i) file all INDs and make all other filings with the Regulatory Authorities, and to otherwise seek all Regulatory Approvals and Pricing Approvals for Licensed Products, in the Territory, as well as to conduct all correspondence and communications with Regulatory Authorities regarding such matters and (ii) report all adverse events to Regulatory Authorities if and to the extent required by Applicable Law. Should Licensee desire to file an IND or an application for Regulatory Approval or Pricing Approval, or equivalents of the foregoing, for a Licensed Product, MTI will provide, at Licensee's request, MTI Regulatory Documentation and to the extent it is able to do so without violating the terms of an agreement with a Third Party (and MTI shall be obligated to use good faith efforts to obtain consent from an applicable Third Party to do so) and which may be redacted to remove information not relevant for the purposes hereunder, other technical information MTI has created or possesses that is necessary or useful for Licensee in connection with any such INDs or other application for Regulatory Approval or Pricing Approval or the maintenance thereof, including information relating to the chemical structure of the Licensed Product, the Cytotoxic Compound or Payload, as applicable used to create such Licensed Product, and the MTI Linker Technology used to create such Licensed Product, including access to the contents in the Drug Master File, as well as other MTI Regulatory Documentation that are necessary or useful to compile the Chemistry Manufacturing and Controls section of an IND submission or an application for Regulatory Approval with respect to a Licensed Product and such other relevant information MTI has created or possesses or Controls as Licensee may reasonably request. If MTI has, during the Term, a Drug Master File with the FDA or equivalent that contains information necessary or useful to support or maintain an IND or application for Regulatory Approval or Pricing Approval (including as relating to any MTI Technology arising after the Original Effective Date): (x) MTI shall notify Licensee of such Drug Master File and any subsequent amendments or changes made to such Drug Master File; (y) keep each such Drug Master File properly maintained and up-to-date; and

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(z) in accordance with Section 3.2.1, Licensee shall have, and shall have the further right to grant Affiliates and Third Parties, the right of reference or access to the contents of each such Drug Master File. Licensee shall reimburse MTI for any reasonable and verifiable out-of-pocket costs incurred by MTI specifically in providing any such information or assistance to Licensee pursuant to this Article 6, plus an amount equal to MTI's then current FTE Fee for MTI's personnel engaged in providing such activities, as set forth in Section 7.2. In the event MTI agrees to provide regulatory assistance beyond the limited activities described above, the Parties shall negotiate in good faith a separate agreement governing the terms of any such regulatory assistance by MTI, including terms as may be appropriate and customary in agreements for similar types of regulatory assistance.

6.2 **Regulatory Documentation**. Except to the extent prohibited by Applicable Law, all Regulatory Documentation (including all Regulatory Approvals and Pricing Approvals) relating to any ADC or Licensed Product developed by or on behalf of (or granted to) Licensee or any of its Affiliates, Sublicensees or designees after the Original Effective Date shall be owned by and shall be the sole property and held in the name of, Licensee or its designated Affiliate, Sublicensee or designee. Promptly following the exercise of an Option with respect to a Designated Target Antigen, MTI shall, and does hereby, assign, and shall cause its Affiliates and its and their licensees and sublicensees to so assign, to Licensee or its designated Affiliate, Sublicensee or designee, without additional compensation, all of its right, title and interest in and to all Regulatory Documentation solely relating to any ADC or Licensed Product.

6.3 **Regulatory Communications**. Licensee will promptly provide to MTI written summaries of material communications with Regulatory Authorities in the Major Market Countries regarding the status and progress of seeking Regulatory Approval for a Licensed Product; provided that all such summaries shall be deemed Confidential Information of Licensee.

ARTICLE 7 - FEES, MILESTONES AND ROYALTIES

7.1 **Technology Access Fee**. The Parties acknowledge and agree that Licensee paid to MTI the following non-refundable, non-creditable up-front fee (the "**Technology Access Fee**") with respect to the Designated Target Antigen One, the Designated Target Antigen Two, the Designated Target Antigen Three and the Designated Target Antigen Four, as follows in consideration of the Research Program and the Research Licenses granted herein:

(a) [***] U.S. Dollars [***] within [***] Business Days following the Original Effective Date, for the Designated Target [***];

(b) An [***] U.S. Dollars [***] with respect to the Designated Target Antigen [***] designated pursuant to Section 2.4.3 that was not withdrawn by Licensee pursuant to Section 12.2, within [***] Business Days following the receipt of the certification set forth in Section 12.2 from MTI; and

(c) An additional [***] U.S. Dollars [***] in the aggregate with respect to the Designated Target Antigen [***] designated under the Second Amendment pursuant to Section 2.4.3, within [***] Business Days following the Second Amendment Effective Date.

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Within [***] days after MTI's delivery to Licensee of an invoice therefor on or after the Amendment Effective Date, Licensee shall pay to MTI the Technology Access Fee for the Designated Target Antigen Five, the Designated Target Antigen Six and the Designated Target Antigen Seven in the aggregate amount of thirteen million five hundred thousand dollars ($13,500,000) by wire transfer of immediately available funds according to instructions that MTI shall provide.

For clarity, [***] for any Replacement Antigen.

7.2 **Research Fees**.

7.2.1 Subject to Section 7.2.3, following receipt of an invoice therefor, Licensee shall pay MTI, (a) at the annual FTE Rate, for each FTE who performs Development, consultation or support work as requested by Licensee pursuant to this Agreement in accordance with the applicable Research Plan (and budget therein) or, with respect to the services described in Sections 4.1, 4.3 and 6.1, as directed by Licensee or as otherwise set forth therein (the "**FTE Fees**") and (b) for all ADC Materials and Study Materials supplied by MTI to Licensee hereunder at the actual, reasonable and verifiable out-of-pocket cost to MTI therefor (the "**Supply Fees**"). The FTE Fees and the Supply Fees are collectively referred to herein as the "**Research Fees**."

7.2.2 Within [***] days prior to the end of each Calendar Quarter during each Research Program Term, the Joint Research Committee shall develop a good faith estimate of the Research Fees to be incurred during the subsequent Calendar Quarter in accordance with the then-current Research Plan (such amount, the "**Estimated Pre-Payment**"). No later than the [***] day of each Calendar Quarter during any Research Program Term (other than the first Calendar Quarter of the Term), following receipt of an invoice therefor, Licensee will pay to MTI the Estimated Pre-Payment for such Calendar Quarter minus any Overage (as defined below) retained by MTI. Within [***] days after the end of each Calendar Quarter during any Research Program Term, MTI shall provide Licensee with a detailed invoice including information concerning the Research Fees actually incurred during such Calendar Quarter; provided, that such Research Fees shall not exceed amounts budgeted in the applicable Research Plan for activities conducted in such Calendar Quarter, without Licensee's prior written consent; provided, further, that if such Research Fees exceed amounts pre-paid by Licensee for such Calendar Quarter (including any amounts carried forward from previous Calendar Quarters pursuant to the next sentence) and meet the requirements of the immediately preceding proviso, they shall be paid by Licensee within [***] days of receipt of the applicable invoice. Any amounts pre-paid pursuant to this Section 7.2.2 with respect to a Research Program and a Calendar Quarter, but not credited hereunder for such Calendar Quarter (such excess amount, the "**Overage**"), shall be carried forward for pre-payment for the subsequent Calendar Quarter; provided, that any Overage retained by MTI and not credited hereunder before the end of the Research Program Term for such Research Program shall be refunded to Licensee within [***] days of Licensee's request therefor following the end of such Research Program Term or the earlier termination of this Agreement. The Parties acknowledge and agree that, as of the Amendment Effective Date, Licensee has paid to MTI all amounts that were payable prior to the Amendment Effective Date in accordance with this Section 7.2.2, including the initial pre-

payment of [***] U.S. Dollar [***] within [***] Business Days following the Original Effective Date to cover the estimated Research Fees for the first Calendar Quarter.

7.2.3 Notwithstanding anything to the contrary in this Agreement, (a) Supply Fees or other out-of-pocket costs to be reimbursed hereunder shall not include any costs or expenses included in the FTE Rate or FTE Fees generally, (b) FTE Fees or other FTEs to be reimbursed hereunder shall not include FTEs for any Overhead personnel or the cost or expense of supervisory personnel, including management, who are not directly performing activities for Licensee under a Research Program or otherwise under this Agreement, and (c) in no event shall any cost or expense of MTI that is to be reimbursed by Licensee hereunder, including the Research Fees, be reimbursed more than once. In no event shall any Research Fee (x) be charged or reimbursed hereunder with respect to MTI's costs of developing materials or information (including MTI Regulatory Documentation), except to the extent specifically related to an ADC or a Licensed Product, pursuant to a Research Plan or otherwise, requested by Licensee in writing and pursuant to an agreed-upon budget or (y) otherwise include any MTI capital expenditures or other expenses not specifically incurred in connection with, and not specifically related to, MTI's performance under this Agreement. MTI shall keep complete and accurate records in sufficient detail to properly reflect all Research Fees and other reimbursements based on out-of-pocket costs or FTE Cost hereunder to enable accurate amounts payable hereunder to be determined. Any reimbursable out-of-pocket expense related to travel exceeding [***] U.S. Dollars [***] shall require Licensee's prior written consent.

7.3 **Exclusive License Maintenance Fees**. Following receipt of the applicable invoice, Licensee shall pay an annual maintenance fee to MTI in the sum of [***] Dollars [***] for each Exclusive Target Antigen (the "**Exclusive License Maintenance Fee**") beginning on the [***] anniversary of each Option Exercise Date for such Exclusive Target Antigen, as applicable, and thereafter, unless earlier terminated in accordance with Article 13, on each anniversary of the applicable Option Exercise Date through the date on which Licensee [***]. Notwithstanding the foregoing, the Exclusive License Maintenance Fee will be reduced for an Exclusive Target Antigen by the amount of any payments made under Sections 7.5 or 7.8 with respect to a Licensed Product Directed to such Exclusive Target Antigen during the [***] month period preceding the date on which an Exclusive License Maintenance Fee is due. For clarity, no Exclusive License Maintenance fee shall be due with respect to the Exclusive Target Antigen [***].

7.4 **Option Exercise Fee**.

(a) Licensee shall pay to MTI One Million Three Hundred Thousand Dollars ($1,300,000) (the "**Option Exercise Fee**") for each Exclusive License exercised and obtained by Licensee with respect to the Exclusive Target Antigen One and Exclusive Target Antigen Two; provided, that if MTI is in material breach of its obligations to perform any activity assigned to it under a Research Plan with respect to such Exclusive Target Antigen (except to the extent that such breach was caused by a breach of Licensee to perform any activity under a Research Plan that was required for MTI to perform such activity (e.g., a failure by Licensee to provide materials required by MTI to perform such activity)) and fails to remedy such breach for [***] days after written notice thereof from Licensee, then the Option Exercise Fee for such Exclusive Target Antigen shall be automatically reduced by [***] percent [***];

provided, further, that within [***] Business Days following the Original Effective Date, Licensee paid to MTI a non-refundable pre-payment of [***] Dollars [***], which amount was credited against the Option Exercise Fee that was due hereunder and which was timely paid in full by Licensee with respect to the Designated Target Antigen [***]. Option Exercise Fees for Targets that are not withdrawn by Licensee pursuant to Section 12.2 are payable within [***] Business Days after the receipt of the certification set forth in Section 12.2 from MTI and an invoice therefor.

(b) For clarity, notwithstanding anything in the foregoing to the contrary, the Option Exercise Fee is only payable with respect to the Designated Target Antigen [***] and Licensee shall not be required to pay any Option Exercise Fee with respect to the Designated Target Antigen [***]. The Parties acknowledge and agree that Licensee paid MTI the Option Exercise Fee for the Designated Target Antigen [***] prior to the Amendment Effective Date.

7.5 Royalties Payable by Licensee. This Section 7.5 shall apply to Net Sales of Licensed Products other than Net Sales of the Co-Exploited Product in the United States, which, for clarity, shall be subject to profit and loss sharing as set forth in the Co-Exploitation Terms.

7.5.1 Royalties Payable by Licensee for ADCs Directed to Excusive Target Antigen [***]. In consideration for the Exclusive Licenses granted to Licensee herein, during the applicable Royalty Term for a Licensed Product that incorporates an ADC Directed to any of Exclusive Target Antigen [***], and subject to Sections 7.6.2 and 10.4.1, Licensee shall pay to MTI royalties on Net Sales of such Licensed Product during the applicable Royalty Term for such Licensed Product (but excluding any Net Sales in any country for which the Royalty Term for such Licensed Product in such country has expired, upon and after the date of such expiration), which royalties shall be paid at the following rates as set forth below:

(a) [***] percent [***] of the portion of Net Sales less than or equal to [***] Dollars [***] in Net Sales of such Licensed Product in a single Calendar Year;

(b) [***] percent [***] of the portion of Net Sales of such Licensed Product greater than [***] Dollars [***] and less than or equal to [***] Dollars [***] in a single Calendar Year; and

(c) [***] percent [***] of the portion of Net Sales of such Licensed Product in excess of [***] Dollars [***] in a single Calendar Year;

provided, that in each case ((a), (b) and (c)), Net Sales in a country for which the Royalty Term for such Licensed Product has expired shall be excluded for purposes of calculating the applicable rates (i.e., the thresholds), and royalty payments, for such Licensed Product.

(d) In establishing the royalty structure of this Section 7.5.1, the Parties recognize, and Licensee acknowledges, the substantial value of the various actions and investments undertaken by MTI prior to the Original Effective Date. Such value is significant and in addition to the value of MTI's grant to Licensee of the Exclusive Licenses pursuant to

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Section 3.2, as it enables the rapid and effective Development and Commercialization of the Licensed Products in the Territory.

(e) For avoidance of doubt, the incremental royalty rates set forth above shall only apply to that portion of the Net Sales that falls within the indicated range of sales. By way of example, and not in limitation of the foregoing Sections 7.5.1(a), (b), (c) and (e) if, during a Calendar Year, Net Sales of the Licensed Product were equal to [***], the royalty payable by Licensee would be calculated by adding (i) the royalty due on Net Sales with respect to the first [***] at the first level percentage of [***] percent [***], (ii) the royalty due on Net Sales with respect to the next [***] at the second level percentage of [***] percent [***]. The obligation to pay royalties shall be imposed only once with respect to the same unit of Licensed Product sold by Licensee, its Affiliate or Sublicensee.

(f) If and for so long as there is a Biosimilar Product being sold by a Third Party in a [***] in a country in the Territory, then the royalties otherwise payable by Licensee to MTI in such country pursuant to Sections 7.5.1(a), 7.5.1(b), and 7.5.1(c) above (as such royalties may have been reduced pursuant to Section 7.5.1(g)) shall be reduced by the percent set forth below of the amounts otherwise owed:

Biosimilar Products unit volume sales for each Licensed Product in such country, as a percentage of total sales of Licensed Products and Biosimilar Products in such country	Reduction rate
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

The Parties will select a mutually agreeable independent Third Party to identify and calculate the Biosimilar Products unit volume sales for each Licensed Product in a [***] in a country in the Territory and such unit volume sales amounts shall be included in each Royalty Report provided for under Article 8. In the event that such independent Third Party is not available or otherwise able to accurately determine or calculate the Biosimilar Product unit volume sales, Licensee shall calculate the Biosimilar Product unit volume sales based on available data in good faith. In the event MTI disputes Licensee's calculation of any Biosimilar Product unit volume sales for a Licensed Product in a country in the Territory, MTI may by written notice to Licensee require that such dispute be resolved in accordance with Section 19.3 and submitted to a [***] pursuant to Section 19.3.4; provided, that Licensee shall have the right to take royalty reductions pursuant to this Section 7.5.1(f) pending resolution of any such dispute, calculated using its good faith calculation of the Biosimilar Product unit volume sales pursuant to the preceding sentence; provided, further, that if any such dispute is resolved in favor of MTI, within [***] days of such resolution, Licensee shall pay to MTI any adjustment in royalties due pursuant to Sections 7.5.1(a), 7.5.1(b), and 7.5.1(c) above as required by such resolution together with the interest payment required by Section 7.14.

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(g) If the Royalty Term for a Licensed Product in a country is based on clause (a)(i) or (a)(ii) of the definition of Royalty Term, the royalty percentages on Net Sales otherwise payable with respect to such Licensed Product in such country will be reduced by [***] percent [***] after date of expiration of the last to expire of the Valid Patent Claims of the MTI Patent Rights that are the subject of clause (a)(i) of such definition but before the date of expiration of the first to expire of the Valid Patent Claims of the Product Patent Rights claiming the [***] in such Licensed Product. Further, if the Royalty Term is based on clause (b) of the definition of Royalty Term, to the extent royalties are payable after the date of expiration of the last to expire of the Valid Patent Claims of the MTI Patent Rights or the first to expire of the Valid Patent Claims of the Product Patent Rights claiming the [***] in such Licensed Product, the royalty percentages on Net Sales otherwise payable with respect to such Licensed Product in such country will be reduced by [***] percent [***].

(h) Any reductions set forth in Section 7.5.1(f) or 7.5.1(g) shall be (i) applied, if both reductions are applicable, to the royalty rate payable to MTI under Section 7.5.1(a), (b) and (c) in the order of first Section 7.5.1(g) and then Section 7.5.1(f), and (ii) with respect to Net Sales in a country in which any such reduction is triggered, allocated across the applicable rates set forth in Section 7.5.1(a), (b) and (c) on a pro rata basis in proportion to the Net Sales in such country compared to Net Sales throughout the Territory, excluding in each case, any Net Sales in a country for which the Royalty Term for such Licensed Product in such country has expired, from and after the date of such expiration. By way of example, and not in limitation of the foregoing Section 7.5.1(f), (g) or (h), with respect to clause (ii) of this Section 7.5.1(h), if royalties are to be reduced in a country for a Licensed Product by [***] percent [***] in a Calendar Year in which (x) Net Sales in such country account for [***] percent [***] of worldwide Net Sales for such Licensed Product, (y) world-wide Net Sales for such Licensed Product in such Calendar Year are [***] Dollars [***] and (z) no other reductions apply to such royalties, then the royalties payable pursuant to Section 7.5.1 are calculated as follows:

(A) [***] of the royalty rate applicable pursuant to Section 7.5.1(a)) shall be paid on Net Sales of [***] dollars [***] of the Net Sales subject to Section 7.5.1(a));

(B) [***] of the royalty rate applicable pursuant to Section 7.5.1(a)) shall be paid on Net Sales of [***] dollars [***] of the Net Sales subject to Section 7.5.1(a));

(C) [***] of the royalty rate applicable pursuant to Section 7.5.1(b)) shall be paid on Net Sales of [***] dollars [***] of the Net Sales subject to Section 7.5.1(b)); and

(D) [***] of the royalty rate applicable pursuant to Section 7.5.1(b)) shall be paid on Net Sales of [***] dollars [***] of the Net Sales subject to Section 7.5.1(b)).

MTI acknowledges and agrees that the sales levels set forth in this Section 7.5.1 (including the examples in Section 7.5.1(e) and this Section 7.5.1(h)) and Section 7.10 shall not be construed as representing an estimate or projection of anticipated sales of the Licensed

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Products or implying any level of diligence or Commercially Reasonable Efforts in the Territory and that the sales levels set forth in Sections 7.5.1(a), 7.5.1(b), 7.5.1(c) and 7.10 are merely intended to define Licensee's royalty and other payment obligations, as applicable, in the event such sales levels are achieved and that the sales levels set forth in Section 7.5.1(e) and this Section 7.5.1(h) are merely intended illustrative purposes only.

7.5.2 **Royalties Payable by Licensee for ADCs Directed to Designated Target Antigen** [***]. In consideration for the Exclusive Licenses granted to Licensee herein, during the applicable Royalty Term for a Licensed Product that incorporates an ADC Directed to any of Exclusive Target Antigen [***], and subject to Sections 7.6.2 and 10.4.1, Licensee shall pay to MTI royalties on Net Sales of such Licensed Product during the applicable Royalty Term for such Licensed Product (but excluding any Net Sales in any country for which the Royalty Term for such Licensed Product in such country has expired, upon and after the date of such expiration), which royalties shall be paid at the following rates as set forth below:

(a) [***] percent [***] of the portion of Net Sales less than or equal to [***] Dollars [***] in Net Sales of such Licensed Product in a single Calendar Year;

(b) [***] percent [***] of the portion of Net Sales of such Licensed Product greater than [***] Dollars [***] and less than or equal to [***] Dollars [***] in a single Calendar Year;

(c) [***] percent [***] of the portion of Net Sales of such Licensed Product greater than [***] Dollars [***] and less than or equal to [***] Dollars [***] in a single Calendar Year; and

(d) [***] percent (9.0%) of the portion of Net Sales of such Licensed Product in excess of [***] Dollars [***] in a single Calendar Year;

provided, that in each case ((a), (b), (c), and (d)), Net Sales in a country for which the Royalty Term for such Licensed Product has expired shall be excluded for purposes of calculating the applicable rates (i.e., the thresholds), and royalty payments, for such Licensed Product.

(e) In establishing the royalty structure of this Section 7.5.2, the Parties recognize, and Licensee acknowledges, the substantial value of the various actions and investments undertaken by MTI prior to the Amendment Effective Date. Such value is significant and in addition to the value of MTI's grant to Licensee of the Exclusive Licenses pursuant to Section 3.2, as it enables the rapid and effective Development and Commercialization of the Licensed Products in the Territory.

(f) For avoidance of doubt, the incremental royalty rates set forth above shall only apply to that portion of the Net Sales that falls within the indicated range of sales. By way of example, and not in limitation of the foregoing Sections 7.5.2(a), (b), (c), (d) and (e) if, during a Calendar Year, Net Sales of the Licensed Product were equal to [***], the royalty payable by Licensee would be calculated by adding (i) the royalty due on Net Sales with respect to the first [***]at the first level percentage of [***] percent [***], and (ii) the royalty due on Net Sales with respect to the next [***] at the second level percentage of [***] percent

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[***]. The obligation to pay royalties shall be imposed only once with respect to the same unit of Licensed Product sold by Licensee, its Affiliate or Sublicensee.

(g) If and for so long as there is a Biosimilar Product being sold by a Third Party in a [***] in a country in the Territory, then the royalties otherwise payable by Licensee to MTI in such country pursuant to Sections 7.5.2(a), 7.5.2(b), 7.5.2(c), and 7.5.2(d) above (as such royalties may have been reduced pursuant to Section 7.5.2(h)) shall be reduced by the percent set forth below of the amounts otherwise owed:

Biosimilar Products unit volume sales for each Licensed Product in such country, as a percentage of total sales of Licensed Products and Biosimilar Products in such country	Reduction rate
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

The Parties will select a mutually agreeable independent Third Party to identify and calculate the Biosimilar Products unit volume sales for each Licensed Product in [***] in a country in the Territory and such unit volume sales amounts shall be included in each Royalty Report provided for under Article 8. In the event that such independent Third Party is not available or otherwise able to accurately determine or calculate the Biosimilar Product unit volume sales, Licensee shall calculate the Biosimilar Product unit volume sales based on available data in good faith. In the event MTI disputes Licensee's calculation of any Biosimilar Product unit volume sales for a Licensed Product in a country in the Territory, MTI may by written notice to Licensee require that such dispute be resolved in accordance with Section 19.3 and submitted to a [***] pursuant to Section 19.3.4; provided, that Licensee shall have the right to take royalty reductions pursuant to this Section 7.5.2(g) pending resolution of any such dispute, calculated using its good faith calculation of the Biosimilar Product unit volume sales pursuant to the preceding sentence; provided, further, that if any such dispute is resolved in favor of MTI, within [***] days of such resolution, Licensee shall pay to MTI any adjustment in royalties due pursuant to Sections 7.5.2(a), 7.5.2(b), 7.5.2(c), and 7.5.2(d) above as required by such resolution together with the interest payment required by Section 7.14.

(h) If the Royalty Term for a Licensed Product in a country is based on clause (a)(i) or (a)(ii) of the definition of Royalty Term, the royalty percentages on Net Sales otherwise payable with respect to such Licensed Product in such country will be reduced by [***] percent [***] after date of expiration of the last to expire of the Valid Patent Claims of the MTI Patent Rights that are the subject of clause (a)(i) of such definition but before the date of expiration of the first to expire of the Valid Patent Claims of the Product Patent Rights claiming the [***] in such Licensed Product. Further, if the Royalty Term is based on clause (b) of the definition of Royalty Term, to the extent royalties are payable after the date of expiration of the last to expire of the Valid Patent Claims of the MTI Patent Rights or the first to expire of the Valid Patent Claims of the Product Patent Rights claiming the [***] in such Licensed Product, the royalty

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percentages on Net Sales otherwise payable with respect to such Licensed Product in such country will be reduced by [***] percent [***].

(i) Any reductions set forth in Section 7.5.2(g) or 7.5.2(h) shall be (i) applied, if both reductions are applicable, to the royalty rate payable to MTI under Section 7.5.2(a), (b), (c), and (d) in the order of first Section 7.5.2(h) and then Section 7.5.2(g), and (ii) with respect to Net Sales in a country in which any such reduction is triggered, allocated across the applicable rates set forth in Section 7.5.2(a), (b), (c), and (d) on a pro rata basis in proportion to the Net Sales in such country compared to Net Sales throughout the Territory, excluding in each case, any Net Sales in a country for which the Royalty Term for such Licensed Product in such country has expired, from and after the date of such expiration. By way of example, and not in limitation of the foregoing Section 7.5.2(g), (h) or (i), with respect to clause (ii) of this Section 7.5.2(i), if royalties are to be reduced in a country for a Licensed Product by [***] percent [***] in a Calendar Year in which (x) Net Sales in such country account for [***] percent [***] of worldwide Net Sales for such Licensed Product, (y) world-wide Net Sales for such Licensed Product in such Calendar Year are [***] Dollars [***] and (z) no other reductions apply to such royalties, then the royalties payable pursuant to Section 7.5.2 are calculated as follows:

(A) [***] of the royalty rate applicable pursuant to Section 7.5.2(a)) shall be paid on Net Sales of [***] dollars [***] of the Net Sales subject to Section 7.5.2(a));

(B) [***] of the royalty rate applicable pursuant to Section 7.5.2(a)) shall be paid on Net Sales of [***] dollars [***] of the Net Sales subject to Section 7.5.2(a));

(C) [***] of the royalty rate applicable pursuant to Section 7.5.2(b)) shall be paid on Net Sales of [***] dollars [***] of the Net Sales subject to Section 7.5.2(b)); and

(D) [***] of the royalty rate applicable pursuant to Section 7.5.2(b)) shall be paid on Net Sales of [***] dollars [***] of the Net Sales subject to Section 7.5.2(b)).

MTI acknowledges and agrees that the sales levels set forth in this Section 7.5.2 (including the examples in Section 7.5.2(f) and this Section 7.5.2(i)) and Section 7.10 shall not be construed as representing an estimate or projection of anticipated sales of the Licensed Products or implying any level of diligence or Commercially Reasonable Efforts in the Territory and that the sales levels set forth in Sections 7.5.2(a), 7.5.2(b), 7.5.2(c), 7.5.2(d), and 7.10 are merely intended to define Licensee's royalty and other payment obligations, as applicable, in the event such sales levels are achieved and that the sales levels set forth in Section 7.5.2(f) and this Section 7.5.2(i) are merely intended for illustrative purposes only.

For clarity, if a Licensed Product incorporates ADCs Directed to both (a) the Exclusive Target Antigen [***] and (b) the Exclusive Target Antigen [***], subject to Sections 7.6.2 and Section 10.4.1, Licensee shall pay to MTI royalties on Net Sales of such Licensed Product during the applicable Royalty Term for such Licensed Product (but excluding any Net Sales in any

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country for which the Royalty Term for such Licensed Product in such country has expired, upon and after the date of such expiration) which royalties shall be paid at the rates and subject to the conditions as set forth above in this Section 7.5.2 only and not at the rates as set forth in Section 7.5.1.

7.6 Third Party Royalties.

7.6.1 Subject to Section 7.6.2, Licensee shall be responsible for paying all royalties owed by MTI under the MTI In-Licenses to the extent due as a result of Development, Manufacture, or Commercialization of the Licensed Product in the Territory by Licensee, its Affiliates, or their respective Sublicensees; provided, that in no event shall the royalty rates or terms applied to Licensed Products with respect to a MTI In-License Agreement be more onerous than the royalty rates and terms applied to MTI's or its (sub)licensees' products with respect to such MTI In-License Agreement. Subject to Section 7.6.2, Licensee shall also be responsible for all payments with respect to any Future MTI In-Licenses, as agreed by the Parties under Section 3.7.2, to the extent due as a result of Development, Manufacture, or Commercialization of the Licensed Product in the Territory by Licensee, its Affiliates, or their respective Sublicensees; provided, that in no event shall the payment obligations or terms applied to Licensed Products with respect to a Future MTI In-License Agreement be more onerous than the payment obligations and terms applied to MTI's or its (sub)licensee's products with respect to such Future MTI In-License. For purposes of the calculation of payments due pursuant to this Section 7.6.1, Licensee shall reasonably estimate the amount of such payments with respect to any MTI In-License or Future MTI In-Licenses, as applicable, shall report such calculation in the report it provides pursuant to Section 8.1.1, and may offset such amount pursuant to Section 7.6.2. MTI shall promptly confirm or update such calculation, along with reasonable detail to support any update thereof, and (a) if such calculation is confirmed issue an invoice payable by Licensee to MTI in such confirmed amount and Licensee shall pay such invoice within [***] Business Days after receipt of such invoice, (b) if such calculation is updated, issue a revised estimate to Licensee, which revised estimate shall be promptly confirmed or disputed by Licensee. To the extent any such revised estimate is confirmed by Licensee, MTI shall invoice Licensee for such confirmed amount, and Licensee shall pay such invoice within [***] Business Days after receipt of such invoice. To the extent any portion of any such revised estimate is disputed by Licensee, Licensee shall not be required to pay such disputed amount pursuant to the preceding sentence and either Party may by written notice to the other Party require that such dispute be resolved in accordance with Section 19.3 by and submitted to a [***] pursuant to Section 19.3.4.

7.6.2 Licensee shall be entitled to deduct from the amount due to MTI under Sections 7.5.1 and 7.5.2 with respect to sales of a Licensed Product in a particular country in the Territory an amount equal to [***] percent [***] of any amounts paid by Licensee under (a) any MTI In-License or Future MTI In-Licenses based upon the sales of (or, if not based on sales, to the extent incurred with respect to the Exploitation of) the Licensed Product in such country or (b) to any Third Party under or in connection with any agreement entered into pursuant to Section 11.3 to the extent (i) such agreement grants rights necessary to Exploit, or for the Exploitation of, any such MTI Linker Technology, any Cytotoxic Compound or Payload, as applicable or any other MTI Technology contained or incorporated in, or used to Exploit, such Licensed Product and (ii) such amounts arise as a result of Development, Manufacture, or

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Commercialization or other Exploitation of such Licensed Product in such country by or on behalf of Licensee, its Affiliates, or their respective Sublicensees; provided, that such credit shall not cause the royalty payments to MTI be reduced below [***] percent [***] of the royalty payments otherwise due pursuant to Sections 7.5.1 and 7.5.2; provided, further, without limitation of the foregoing proviso, that if any of the foregoing payments also relate to a breach of a representation, warranty or covenant of MTI in Article 12 Licensee shall be entitled to recover, pursuant to, and to the extent provided in, Article 14, any such amounts not credited hereunder. Licensee may carry forward, and deduct from future royalty payments, any amounts which cannot be deducted due to the first proviso in the immediately prior sentence.

7.7 Limitations on Royalty Reductions. Notwithstanding anything to the contrary, in no event shall the royalty rate(s) for payments to MTI be reduced pursuant to Section 7.5.1(f), Section 7.5.1(g), Section 7.5.2(g), Section 7.5.2(h) and/or Section 7.6.2 below [***] percent [***] of the royalty payments otherwise due pursuant to Sections 7.5.1 and 7.5.2 (e.g., an initial royalty rate of [***] percent [***] could not be reduced below [***] percent [***]); provided, that if Sections 7.5.1(f) and 7.5.2(g) above apply with respect to a Biosimilar Product with greater than [***] percent [***] market share in a Calendar Quarter,

there shall be no limit on the amount of reductions pursuant to Section 7.5.1(f), Section 7.5.1(g), Section 7.5.2(g), Section 7.5.2(h) and/or Section 7.6.2 with respect to such Calendar Quarter. Licensee may carry forward, and deduct from future royalty payments, any amounts which cannot be deducted due to this Section 7.7.

7.8 Development Milestone Payments.

7.8.1 Development Milestone Payments for Exclusive Target Antigen [***]. As additional consideration for the licenses, rights and privileges granted to it hereunder, Licensee shall pay to MTI the following milestone payments within [***] days after receiving MTI's invoice following the first occurrence of each event set forth below with respect to each Licensed Product that is Directed to the Exclusive Target Antigen [***] to achieve such event, whether such events are achieved by Licensee, its Affiliates or Sublicensees, as follows:

(a) [***] ;

(b) [***] ;

(c) [***] ;

(d) [***] ;

(e) [***] ;

(f) [***] ;

(g) [***] ;

(h) [***] ;

(i) [***] ;

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(j) [***] ;

(k) [***];

(l) [***]; and

(m) [***];

provided, that [***] will be due under each of Section 7.8.1(i) and (j) with respect to the Exclusive Target Antigen [***], even if such milestone event occurs in [***].

7.8.2 Development Milestone Payments for Exclusive Target Antigen [***]. As additional consideration for the licenses, rights and privileges granted to it hereunder, Licensee shall pay to MTI the following milestone payments within [***] days following the first occurrence of each event set forth below with respect to each Licensed Product that is Directed to Exclusive Target Antigen [***] to achieve such event, whether such events are achieved by Licensee, its Affiliates or Sublicensees, as follows:

(a) [***];

(b) [***];

(c) [***];

(d) [***];

(e) [***] ;

(f) [***] ;

(g) [***] ;

(h) [***];

(i) [***];

(j) [***];

(k) [***];

(l) [***];

(m) [***];

(n) [***];

(o) [***];

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provided, that [***] will be due under each of Section 7.8.2(k) and (l) with respect to the Exclusive Target Antigen [***], even if such milestone event occurs [***].

Notwithstanding the foregoing, the milestones listed in clauses (e), (h) and (m) of this Section 7.8.2 shall not be payable with respect to any achievement thereof by the Co-Exploited Product.

For clarity, if a Licensed Product incorporates ADCs Directed to both (a) the Exclusive Target Antigen [***] and (b) the Exclusive Target Antigen [***], Licensee shall pay to MTI milestone payments for such Licensed Product at the rates and subject to the conditions as set forth above in this Section 7.8.2 only and not as set forth in Section 7.8.1.

7.9 Back-up Products and Replacement Products.

7.9.1 No milestone payment shall be due for a Licensed Product if such Licensed Product (a) represents a change in [***] of a Licensed Product for which [***] or (b) subject to the remainder of this Section 7.9, is a [***] for which [***] (a Licensed Product described in clause (b) only, an "**Alternate Product**" for such Licensed Product).

7.9.2 In the event that Licensee obtains Regulatory Approval in a Major Market Country for a Licensed Product and Licensee thereafter continues to Commercialize the approved Licensed Product and Develop or Commercialize an Alternate Product for such License Product in the Territory, then (a) from and after receipt of such Regulatory Approval for such first Licensed Product, Licensee will thereafter [***] and (b) within [***] days of receipt of Regulatory Approval in a Major Market Country for such Alternate Product, pay to MTI [***] percent [***] of each milestone payment that would have been to be paid by Licensee with respect to such Alternate Product, but for the limitation in Section 7.9.1 (and not otherwise paid pursuant to clause (a)). For clarity, any Alternate Product is also a Licensed Product under this Agreement.

7.10 Sales Milestone Payments. Licensee shall notify MTI of any Calendar Year in which annual Net Sales of a Licensed Product in such Calendar Year in all countries in the Territory reach the following thresholds for the first time within [***] days after the end of such Calendar Year, and shall make the following sales milestone payments to MTI within [***] days after receiving an invoice from MTI therefor:

Annual Net Sales Threshold	Sales Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]

Each sales milestone payment is separate and may only be earned once for each Licensed Product, irrespective of the number of times such thresholds are achieved for such Licensed Product, but if more than one Net Sales threshold is reached in the same Calendar Year, all corresponding sales milestone payments shall be payable during such Calendar Year. For example, if annual Net Sales of a Licensed Product first reach [***] dollars [***] in Calendar Year 1, [***] dollars [***] shall be payable to MTI for such Calendar Year 1, however, if annual Net Sales of a Licensed Product first reach [***] dollars ($500,000,000) in Calendar Year 2

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(without first reaching [***] dollars [***] in Calendar Year 1), then both the [***] dollars [***] and the [***] dollars [***] sales milestone payments would be payable to MTI for such Calendar Year 2.

Net Sales of the Co-Exploited Product in the United States, which are subject to profit and loss sharing pursuant to the Co-Exploitation Terms, shall be excluded from the annual Net Sales of such Co-Exploited Product for purposes of this Section 7.10.

7.11 Payment Terms. Royalties shown to have accrued by each Royalty Report provided for under Article 8 shall be due within [***] days after receiving an invoice from MTI promptly following the date such Royalty Report is due pursuant to Section 8.1.2.

7.12 Right to Offset. Upon notice by a Party, such Party shall have the right, exercisable [***] Business Days following such notice, to offset any amount owed by the other Party to such first Party under or in connection with this Agreement which obligation is not being contested by the other Party in good faith in accordance with Section 19.3, including in connection with any breach or indemnification obligation by such Party pursuant to Article 14, against any payments owed by such first Party to such other Party under this Agreement. Such offsets shall be in addition to any other rights or remedies available under this Agreement and Applicable Law.

7.13 **Payment Method**. All payments by Licensee to MTI under this Agreement shall be paid in U.S. dollars, and all such payments shall be made by bank wire transfer in immediately available funds to the bank account designated by MTI in writing; provided, that such account information is provided to Licensee at least [***] days prior to any such payment becoming due hereunder.

7.14 **Late Payments**. If a Party does not receive payment of any sum due to it on or before the due date therefor, simple interest shall thereafter accrue on the sum due to such Party from the due date until the date of payment at a per-annum rate of [***] percent [***] over the then-current prime rate during the period as reported in The Wall Street Journal or the maximum rate allowable by Applicable Law, whichever is lower.

7.15 **Exchange Control**. If at any time legal restrictions prevent the prompt remittance of part or all royalties with respect to any country in the Territory where Licensed Product is sold, payment shall be made through such lawful means or method as the Parties reasonably shall determine.

7.16 **Taxes**. A Party receiving payment pursuant to this Agreement shall pay any and all taxes levied on such payments. Except as otherwise provided below, all amounts due from Licensee to MTI under this Agreement are gross amounts. Licensee shall be entitled to deduct the amount of any withholding taxes payable or required by Applicable Law to be withheld by Licensee, its Affiliates or Sublicensees, to the extent Licensee, its Affiliates or Sublicensees pay such withheld amounts to the appropriate Governmental Authority on behalf of MTI. Licensee shall use Commercially Reasonable Efforts to minimize any such taxes, levies or charges required to be withheld on behalf of MTI by Licensee, its Affiliates or Sublicensees. Licensee promptly shall deliver to MTI proof of payment of all such taxes, levies and other charges,

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together with copies of all communications from or with such Governmental Authority with respect thereto, and other supporting documentation as may be required by the Governmental Authority, and shall cooperate with MTI in seeking any related tax exemption or credits that may be available to MTI with respect thereto.

ARTICLE 8 - ROYALTY REPORTS AND ACCOUNTING

8.1 **Reports, Exchange Rates**.

8.1.1 For so long as any Royalty Term remains in effect, Licensee shall, with respect to each Calendar Quarter (or portion thereof), provide a written report showing, on a consolidated aggregated basis in reasonable detail (a) the Gross Sales of Licensed Products sold by Licensee, its Affiliates and its Sublicensees in the Territory during the corresponding Calendar Quarter on which royalties are due hereunder and the Net Sales from such Gross Sales; (b) the royalties payable in U.S. dollars, if any, which shall have accrued hereunder based upon such Net Sales of Licensed Products; (c) the withholding taxes, if any, required by law to be deducted in respect of such royalties; (d) the dates of the First Commercial Sale of each Licensed Product in each country in the Territory for which royalties are due hereunder, if it has occurred during the corresponding Calendar Quarter; and (e) the exchange rates (as determined pursuant to Section 8.1.3 herein) used in determining the royalty amount expressed in U.S. dollars (each, a "**Royalty Report**").

8.1.2 Royalty Reports shall be due on the [***] day following the end of the Calendar Quarter to which such Royalty Report relates. Licensee shall keep complete and accurate records in sufficient detail to properly reflect all Gross Sales and Net Sales and to enable the royalties payable hereunder to be determined.

8.1.3 With respect to sales of Licensed Products invoiced in U.S. dollars, the Gross Sales, Net Sales, and royalties payable shall be expressed in U.S. dollars. With respect to sales of Licensed Products invoiced in a currency other than U.S. dollars, the Gross Sales, Net Sales and royalties payable shall be expressed in the currency of the invoice issued by the Selling Person together with the U.S. dollars equivalent of the royalty due, calculated using the average quarter-end rate of exchange for a given Calendar Quarter published in the Wall Street Journal during the applicable Calendar Quarter.

8.2 **Audits**.

8.2.1 Upon the written request of MTI and with at least [***] days prior written notice, but not more than once in any Calendar Year, Licensee shall permit an independent certified public accounting firm of internationally recognized standing, selected by MTI and reasonably acceptable to Licensee, at MTI's sole cost and expense (except as set forth in this Section 8.2), to have access during normal business hours to such of the records of Licensee as required to be maintained under this Agreement to verify the accuracy of the Royalty Reports due hereunder. Such accountants may audit records relating to Royalty Reports made for any year ending not more than [***] months prior to the date of such request. The accounting firm shall disclose to MTI only whether the Royalty Reports were correct or not, and the specific details concerning any discrepancies and such information shall be shared at the

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same time with Licensee. No other information obtained by such accountants shall be shared with MTI.

8.2.2 If such accounting firm concludes that any royalties were owed but not paid to MTI, Licensee shall pay the additional royalties within [***] days following the date MTI delivers to Licensee such accounting firm's written report so concluding, together with the interest payment required by Section 7.14. The fees charged by such accounting firm shall be paid by MTI; provided, that if the audit discloses that the royalties payable by Licensee for the audited period are more than [***] percent [***] of the royalties actually paid for such period, then Licensee shall pay the reasonable fees and expenses

charged by such accounting firm. If such accounting firm concludes that the royalties paid were more than what was owed during such period, MTI shall refund the overpayments within [***] days following the date MTI receives such accounting firm's written report so concluding.

8.2.3 Upon the written request of Licensee and with at least [***] days prior written notice, but not more than once in any Calendar Year, MTI shall permit an independent certified public accounting firm of internationally recognized standing, selected by Licensee and reasonably acceptable to MTI, at Licensee's sole cost and expense, to have access during normal business hours to such of the records of MTI as required to be maintained under this Agreement to verify the accuracy of the Research Fees and other reimbursements based on out-of-pocket costs or FTE Fees due hereunder. Such accountants may audit such records made for any year ending not more than [***] months prior to the date of such request. The accounting firm shall disclose to Licensee only whether the Research Fees or other reimbursements were correct or not, and the specific details concerning any discrepancies and such information shall be shared at the same time with MTI. No other information obtained by such accountants shall be shared with Licensee.

8.2.4 If such accounting firm concludes that any Research Fees or other reimbursements were paid but not owed to MTI, MTI shall refund or reimburse Licensee such overpaid amounts within [***] days following the date Licensee delivers to MTI such accounting firm's written report so concluding, together with the interest payment required by Section 7.14. The fees charged by such accounting firm shall be paid by Licensee; provided, that if the audit discloses that the Research Fees or other reimbursements payable by Licensee for the audited period are less than [***] percent [***] of such amounts actually paid for such period, then MTI shall pay the reasonable fees and expenses charged by such accounting firm. If such accounting firm concludes that the Research Fees or other reimbursements paid were less than what was owed during such period, Licensee shall pay the underpayments within [***] days following the date Licensee receives such accounting firm's written report so concluding.

8.3 **Confidential Financial Information**. The Parties shall treat all financial information subject to review under this Article 8 or under any sublicense agreement as Confidential Information of the disclosing Party as set forth in Article 9, and shall cause its accounting firm to retain all such financial information in confidence under terms comparable in scope those set forth in Article 9 and with respect to each inspection, the independent accounting firm shall be obliged to execute for each Party's benefit a reasonable confidentiality agreement prior to commencing any such inspection.

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ARTICLE 9 - CONFIDENTIALITY

9.1 **Non-Disclosure Obligations**. Except as otherwise provided in this Article 9 during the Term and for a period of [***] years thereafter, each Party and their respective Affiliates shall maintain in confidence, and use only for purposes as expressly authorized and contemplated by this Agreement, all Confidential Information of the other Party. "**Confidential Information**" means all confidential or proprietary information (including information relating to such Party's research programs, development, marketing and other business practices and finances), data, documents or other materials supplied by the other Party or their respective Affiliates under this Agreement, including such information that is marked or otherwise identified as "Confidential;" provided, that notwithstanding anything to the contrary, (a) Confidential Information constituting MTI Know-How or MTI Regulatory Documentation shall be Confidential Information of MTI (and MTI shall be deemed the disclosing Party and Licensee the receiving Party with respect thereto), (b) Confidential Information constituting Licensee Know-How or Licensee Regulatory Documentation, and each Potential Co-Exploited Product Data Package, shall be Confidential Information of Licensee (and Licensee shall be deemed the disclosing Party and MTI the receiving Party with respect thereto) and (c) the terms of this Agreement and Confidential Information consisting of Joint Know-How shall be Confidential Information of both Parties (and both Parties shall be deemed the receiving Party with respect thereto). Each Party shall use at least the same standard of care as it uses to protect its own Confidential Information to ensure that its and its Affiliates' employees, agents, consultants and clinical investigators only make use of the other Party's Confidential Information for purposes as expressly authorized and contemplated by this Agreement and do not disclose or make any unauthorized use of such Confidential Information.

9.2 **Permitted Disclosures**.

9.2.1 Notwithstanding the foregoing, but subject to the last sentence of this Section 9.2, the provisions of Section 9.1 shall not apply to information, documents or materials that the receiving Party can conclusively establish:

(a) have become published or otherwise entered the public domain or become generally available to the public other than by breach of this Agreement by the receiving Party or its Affiliates;

(b) are permitted to be disclosed by prior consent of the other Party;

(c) have become known to the receiving Party by a Third Party, provided such Confidential Information was not obtained by such Third Party directly or indirectly from the disclosing Party on a confidential basis;

(d) prior to disclosure under the Agreement, was already in the possession of the receiving Party, its Affiliates or Sublicensees; or

(e) have been independently developed by or for the receiving Party without reference to the disclosing Party's Confidential Information;

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provided that the exceptions described in clauses (d) and (e) shall not apply with respect to Confidential Information constituting (i) MTI Platform Know-How originally invented, conceived or developed by Licensee or (ii) Product Know-How originally invented, conceived or developed by MTI.

9.2.2 Each Party may also disclose Confidential Information as set forth below in this Section 9.2.2. Notwithstanding the disclosures permitted under Section 9.2.2, any Confidential Information so disclosed shall remain subject to the confidentiality obligations of Section 9.1, unless and until any exceptions described in Section 9.2.1 shall apply. Either Party may disclose the other Party's Confidential Information to the extent such disclosure is made:

(a) in response to a valid order of a court of competent jurisdiction or other Governmental Authority or Regulatory Authority or, if in the reasonable opinion of the receiving Party's legal counsel, such disclosure is otherwise required by Applicable Law, including by reason of filing with securities regulators (including the rules and regulations of any stock exchange or trading market on which the receiving Party's (or its parent's) securities are traded); provided, that the receiving Party shall first have given notice to the disclosing Party and given the disclosing Party a reasonable opportunity to quash such order or to obtain a protective order or confidential treatment requiring that the Confidential Information and documents that are the subject of such order or requirement be held in confidence by such court or agency or, if disclosed, be used only for the purposes for which the order was issued; provided, further, that the Confidential Information disclosed in response to such court or governmental order or Applicable Law shall be limited to that information which is legally required to be disclosed in response to such court or governmental order or Applicable Law (including the rules and regulations of any stock exchange or trading market on which the receiving Party's (or its parent's) securities are traded);

(b) solely to the extent reasonably necessary in a patent application claiming Product Patent Rights made hereunder to be filed with the United States Patent and Trademark Office or any similar foreign agency; provided, that the Party filing the patent shall provide at least [***] days prior written notice of such disclosure to the other Party and take reasonable and lawful actions to avoid or minimize the degree of disclosure;

(c) by Licensee, to a Regulatory Authority, as reasonably required or useful in connection with any filing, submission or communication with respect to any ADC or Licensed Product; provided, that reasonable measures shall be taken to assure confidential treatment of such information, to the extent such protection is available;

(d) to a Sublicensee as permitted hereunder; provided, that such Sublicensee is then subject to obligations of confidentiality and limitations on use of such Confidential Information comparable in scope to those contained herein and Licensee otherwise complies with Section 3.6;

(e) by Licensee, its Affiliates or its or their Sublicensees to an actual or potential Third Party Manufacturing, Development or Commercialization collaborator, contractor or partner with respect to a Target or Licensed Product or otherwise as may be necessary or useful in connection with its exercise of rights or performance of obligations

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hereunder (including in connection with any litigation with respect thereto); provided, that such Third Party recipient is, if practicable, then subject to obligations of confidentiality and limitations on use of such Confidential Information comparable in scope to those contained herein;

(f) by Licensee or to an actual or potential investor in or acquirer of the business to which this Agreement relates; provided, that (x) such Third Party recipient is then subject to obligations of confidentiality and limitations on use of such Confidential Information comparable in scope to those contained herein and (y) Licensee shall provide at least [***] days' prior notice of (including a copy of) any such proposed disclosure to MTI and shall not make any such disclosure without first obtaining MTI's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) with respect thereto in each instance (it being understood that if consent with respect to a specific disclosure is given by MTI with respect to a particular type of audience of Third Parties (e.g., investors not affiliated with a pharmaceutical company), Licensee may subsequently make such specific disclosure to another member of such audience consistent with such consent without obtaining specific consent from MTI in such instance); and

(g) by MTI to actual or potential strategic partners, investors or acquirers; provided, that such disclosures shall be limited to the terms of this Agreement and pre-clinical data and results arising out of a Research Program and that is presented in a manner the does not divulge or otherwise make available (i) the identity of any Target, (ii) the identity of any ADC or any Licensee Antibody used in the Research Program, or (iii) the identity of Licensee or any of its Affiliates or Sublicensees; provided, further, that, in each case, (x) such Third Party recipient is then subject to obligations of confidentiality and limitations on use of such Confidential Information comparable in scope to those contained herein, and (y) MTI shall provide at least [***] days' prior notice of (including a copy of) any such proposed disclosure to Licensee and shall not make any such disclosure without first obtaining Licensee's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) with respect thereto in each instance (it being understood that if consent with respect to a specific disclosure is given by Licensee with respect to a particular type of audience of Third Parties (e.g., investors not affiliated with a pharmaceutical company), MTI may subsequently make such specific disclosure to another member of such audience consistent with such consent without obtaining specific consent from Licensee in such instance).

9.3 Press Releases and Other Disclosures to Third Parties.

9.3.1 The Parties acknowledge and agree that prior to the Amendment Effective Date MTI issued the press releases included in Schedule D.1 attached hereto, which were mutually agreed by the Parties. Upon occurrence of the Amendment Effective Date, the Parties shall promptly issue an initial joint press release mutually agreed upon by the Parties and substantially in the form attached hereto as Schedule D.2.

9.3.2 Except as provided in Section 9.3.1, neither MTI nor Licensee will, without the prior consent of the other, issue any press release or make any other public announcement or furnish any statement to any person or entity (other than either Parties' respective Affiliates) concerning the existence of this Agreement, its terms and the transactions

contemplated hereby, except for (a) disclosures made in compliance with Sections 9.1, 9.2 and 9.5, (b) disclosures made to attorneys, consultants, and accountants retained to represent the Parties in connection with the negotiation and consummation of the transactions contemplated hereby, (c) to the extent either Party may be listed on a stock exchange, disclosures that may be required, in the opinion of such Party's counsel, by Applicable Law or the rules of such stock exchange, provided that the other Party shall have the opportunity to review and comment on such disclosure, and provided further than neither Party shall disclose Net Sales of the other Party without the other Party's consent and (d) press releases by a Party regarding its activities under this Agreement with respect to the Licensed Products, provided that (i) a draft of the press release is provided to the other Party at least [***] days (or [***] days in the event of a joint press release) prior to the release of such press release for the other Party's review and comment (which comments shall not be unreasonably rejected), (ii) the other Party is promptly provided a courtesy copy of such press release and (iii) press releases regarding the Co-Exploited Product will be joint and mutually agreed by the Parties. The Parties shall coordinate regarding the timing of any release, and regarding whether any release will made by a single Party or jointly by both Parties. The structure and contents of any press release shall be kept confidential until such press release is made publically available. Neither Party shall be required to seek the permission of the other Party to repeat any information regarding the terms of this Agreement or either Party's activities under the Co-Development Plan (as defined in the Co-Exploitation Terms) that has already been publicly disclosed by such Party, or the other Party, in accordance with this Section 9.3.2.

9.4 Use of Name. Except as expressly provided herein, with respect to a Party and its Affiliates, neither Party shall mention or otherwise use the name, logo or trademark of the other Party or any of its Affiliates or any of its or their Sublicensees (or any abbreviation or adaptation thereof) (including any Product Trademark) in any publication, press release, marketing and promotional material or other form of publicity without the prior written consent of such other Party, other than in the case that the first Party or its Affiliate is a party to a separate written agreement with such Party or any of its Affiliates or any of its or their Sublicensees, in which case, such Party or its Affiliate may mention or otherwise use the name, logo or trademark of such other party if and to the extent permitted by such separate written agreement. The restrictions imposed by this Section 9.4 shall not prohibit (a) Licensee from making any disclosure identifying MTI to the extent required in connection with its exercise of its rights or obligations under this Agreement or (b) either Party from making any disclosure identifying the other Party that is required by Applicable Law or the rules of a stock exchange on which the securities of the disclosing Party are listed (or to which an application for listing has been submitted).

9.5 Publications Regarding Results of the Research Program. Neither Party may publish, or otherwise publicly present or announce results of the Research Programs or Development of ADCs or Licensed Products hereunder either orally or in writing (a "**Publication**") without complying with the provisions of this Section 9.5. A Party wishing to make a Publication will provide the other Party with a copy of the proposed Publication. The other Party shall have [***] Business Days from receipt of a proposed Publication to provide comments or proposed changes to the publishing Party. The publishing Party shall take into account the comments or proposed changes made by the other Party on any Publication and shall agree to designate employees or others acting on behalf of the other Party as co-authors on any

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Publication describing results to which such persons have contributed in accordance with standards applicable to authorship of scientific publications. If the other Party reasonably determines that the Publication would entail the public disclosure of such Party's Confidential Information or of a patentable invention upon which a patent application should be filed prior to any such disclosure, submission of the concerned Publication to Third Parties shall be delayed for such period as may be reasonably necessary for deleting any such Confidential Information of the other Party (if the other Party has requested deletion thereof from the proposed Publication), or the drafting and filing of a patent application covering such invention, provided such additional period shall not exceed [***] Business Days from the date the publishing Party first provided the proposed Publication to the other Party. Notwithstanding anything to the contrary in the foregoing, with respect to any Publications by investigators or other Third Parties, such materials shall be subject to review under this Section 9.5 only to the extent that Licensee has the right and ability (after using Commercially Reasonable Efforts) to do so. Without limitation of the foregoing, MTI's rights to make any Publication will be limited to the results of a Research Program and after exercise of an Option hereunder, MTI shall not make any Publication with respect to the applicable Research Program without Licensee's prior written consent.

9.6 Return of Confidential Information. Upon the effective date of the termination of this Agreement for any reason (or, upon, as applicable, the date of expiration of the Option Period with respect to Designated Target Antigen [***] for which Licensee does not exercise its Option, or the date of expiration of the Co-Exploitation Option Period with respect to a Potential Co-Exploited Product for which MTI does not exercise its Co-Exploitation Option), with respect to Confidential Information (including, in the case of the foregoing parenthetical, Confidential Information of the requesting Party arising out of a Research Program with respect to such Target, or the applicable Potential Co-Exploited Product Data Package, as applicable) to which such non-requesting Party does not retain rights under the surviving provisions of this Agreement each Party shall, upon and in accordance with the other Party's request in writing, either: (a) promptly destroy all copies of such Confidential Information in the possession or control of the non-requesting Party and confirm such destruction in writing to the requesting Party; or (b) promptly deliver to the requesting Party, at the non-requesting Party's sole cost and expense, all copies of such Confidential Information in the possession or control of the non-requesting Party. Upon the exercise of an Option with respect to Designated Target Antigen [***], and upon completion or termination of the Research Program with respect to Designated Target Antigen [***], MTI shall, upon and in accordance with Licensee's request in writing, promptly deliver to Licensee, at Licensee's sole cost and expense, all copies of Licensee Confidential Information arising out of the applicable Research Program, including Product Know-How and ADC Materials, with respect to such Target in the possession or control of MTI, but excluding Conjugation Know-How. Notwithstanding the foregoing, the non-requesting Party shall be permitted to retain (x) such Confidential Information to the extent necessary or useful for purposes of performing any continuing obligations or exercising any ongoing rights hereunder and, in any event, a single copy of such Confidential Information for archival purposes and (y) any computer records or files containing such Confidential Information that have been created solely by such non-requesting Party's automatic archiving and back-up procedures, to the extent created and retained in a manner consistent with such non-requesting Party's standard archiving and back-up procedures, but not for any other uses or purposes. All Confidential

Information shall continue to be subject to the terms of this Agreement for the period set forth in Section 9.1.

ARTICLE 10 - INVENTIONS AND PATENTS

10.1 Disclosure of Inventions. Licensee shall promptly disclose to MTI the making, conception or reduction to practice of any Joint Technology, MTI Platform Technology or Conjugation Technology. MTI shall promptly disclose to Licensee the making, conception or reduction to practice of any MTI Technology, Joint Technology, Product Technology or Conjugation Technology.

10.2 Ownership of Intellectual Property.

10.2.1 In General. Subject to Sections 10.2.2, 10.2.3 and 10.2.4, as between the Parties, each Party shall own and retain all right, title and interest in and to any and all: (a) Know-How, Improvements and other inventions that are conceived, discovered, developed or otherwise made by or on behalf of such Party (other than by the other Party or its Affiliates) under or in connection with this Agreement, whether or not patented or patentable, and any and all Patent Rights and other intellectual property rights with respect thereto; and (b) other Know-How, inventions, Patent Rights and other intellectual property rights that are owned or otherwise Controlled (other than pursuant to the license grants set forth in Article 3) by such Party or any of its Affiliates or its or their Sublicensees outside of this Agreement. For the avoidance of doubt, (x) MTI shall own and retain all right, title and interest in and to any and all MTI Technology and (y) Licensee shall own and retain all right, title and interest in and to any and all Licensee Technology.

10.2.2 Joint Technology. Subject to Sections 10.2.3 and 10.2.4, as between the Parties, the Parties shall each own an equal, undivided interest in any and all Joint Technology. Subject to the licenses and rights of reference granted in Article 3 and, in the case of MTI, its exclusivity obligations hereunder, each Party shall have the right to Exploit the Joint Technology without a duty of seeking consent of or accounting to the other Party; provided, that neither Party shall have the right to disclose (except as provided in Section 9.2) or license (except as may be permitted under Article 3) any Joint Know-How without the consent of the other Party.

10.2.3 Product Technology. As between the Parties, Licensee shall own and, subject to the licenses and rights of reference granted in Article 3, retain all right, title and interest in and to any and all Product Technology. MTI will, and does hereby, assign to Licensee and will cause each of its officers, directors, employees, Affiliates, subcontractors and agents to assign to Licensee all such right, title and interest in and to any Product Technology, without additional compensation, as is necessary to fully effect the sole ownership provided for in the first sentence of this Section 10.2.3.

10.2.4 MTI Platform Technology. As between the Parties, MTI shall own and, subject to Section 3.11 and the licenses and rights of reference granted in Article 3, retain all right, title and interest in and to any and all MTI Platform Technology. Subject to Section 3.11, Licensee will, and does hereby, assign to MTI and will cause each of its officers, directors,

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employees and Affiliates, to assign to MTI all such right, title and interest in and to any MTI Platform Technology, without additional compensation, as is necessary to fully effect the sole ownership provided for in the first sentence of this Section 10.2.4. Notwithstanding anything to the contrary in this Agreement, MTI Platform Technology that Licensee is obligated to assign (and cause other persons to assign) under Section 3.6.1 and this Section 10.2.4 shall be limited to Improvements to Cytotoxic Compounds, Fleximer and other MTI Technology that are (a) made, conceived or reduced to practice using any Confidential Information of MTI and (b) which Cytotoxic Compounds, Fleximer or other MTI Technology, as applicable, are disclosed or provided to Licensee pursuant to a Research Plan or Sections 3.7 or 4.1.

10.2.5 United States Law. The determination of whether Know-How, Improvements and inventions are conceived, discovered, developed or otherwise made by a Party for the purpose of allocating proprietary rights (including Patent Rights, copyright or other intellectual property rights) therein, shall, for purposes of this Agreement, be made in accordance with Applicable Law in the United States as such law exists as of the Original Effective Date irrespective of where or when such conception, discovery, development or making occurs. Each Party shall, and does hereby, assign, and shall cause its Affiliates and its and their licensees and sublicensees to so assign, to such Party or the other Party, as applicable, without additional compensation, such right, title and interest in and to any Know-How, Improvements and other inventions as well as any intellectual property rights with respect thereto, as is necessary to fully effect, as applicable, (a) the sole ownership provided for in Section 3.6.1, 10.2.1, 10.2.3 and 10.2.4, as applicable, and (b) the joint ownership provided for in Section 10.2.2.

10.3 Patent Prosecution and Maintenance.

10.3.1 MTI Patent Rights. MTI shall have the sole right and authority, but not the obligation, to prepare, file, prosecute and maintain the MTI Patent Rights on a worldwide basis and to be responsible for any related interference, re-issuance, re-examination and opposition proceedings, in each case, at MTI's sole expense.

10.3.2 Licensee Patent Rights. Subject to Section 10.3.3, Licensee shall have the sole right and authority, but not the obligation, to prepare, file, prosecute and maintain the Licensee Patent Rights (other than Fleximer Conjugation Patent Rights) on a worldwide basis, and to be responsible for any related interference, re-issuance, re-examination and opposition proceedings, in each case, at Licensee's sole expense.

10.3.3 Designated Patent Rights.

(a) The Joint Patent Committee shall determine the global prosecution strategy in the best interests of the Licensed Product with respect to, and Licensee's outside counsel will be responsible for the filing, prosecution, and maintenance of, Product Patent Rights (i) arising out of the activities conducted pursuant to a Research Program hereunder by either or both Party(ies) or (ii) that otherwise claim the composition of matter of a Licensed Product (the "**Designated Patent Rights**"), including any related interference, re-issuance, re-examination and opposition proceedings. The outside counsel shall keep each Party reasonably informed and provide a reasonable opportunity for each Party to comment with respect to all material steps with regard to the filing, prosecution, and maintenance of such Designated Patent Rights;

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provided, that Licensee shall have the sole right to control the filing, prosecution, maintenance of the Designated Patent Rights, including any related interference, re-issuance, re-examination and opposition proceedings; provided, further, that Licensee shall reasonably consider any such comments received from MTI in good faith. The outside counsel, through the Joint Patent Committee, shall also coordinate with the Parties to reasonably avoid creating potential issues in prosecution of the patent applications covering each Party's other respective Patent Rights (e.g., coordinating filing dates to minimize creating prior art issues). Licensee shall bear all the costs associated with such filing, prosecution, maintenance of patent applications for the Designated Patent Rights.

(b) With respect to any Designated Target Antigen, if Licensee elects to replace such Designated Target Antigen pursuant to Section 2.4.5, or, following the end of the Option Period for Designated Target Antigen [***] if Licensee has not exercised its Option with respect to Designated Target Antigen [***] or if Licensee has earlier provided notice to MTI under Section 10.3.3(c) that it has decided not to exercise such Option with respect to Designated Target Antigen [***], then, in either such case, (i) unless otherwise agreed by the Parties, the Parties shall promptly abandon any Designated Patent Rights (including any applications therefor) claiming such Designated Target Antigen or ADCs or Licensed Products Directed thereto or otherwise arising out of the Research Program for such Antigen and (ii) thereafter, neither Party shall have any right to file, prosecute or maintain any such Designated Patent Rights.

(c) With respect to Designated Target Antigen [***], Licensee agrees it must notify MTI in writing of its decision on exercising the Option with respect to such Designated Target Antigen pursuant to Section 3.5 at least [***] days prior to publication by the United States Patent and Trademark Office or any similar foreign agency of any Designated Patent Right that claims or covers any ADC or Licensed Product Directed to such Designated Target Antigen.

10.3.4 **Joint Patent Rights and Fleximer Conjugation Patent Rights**. MTI shall have the first right and authority, but not the obligation, to prepare, file, prosecute and maintain the Joint Patent Rights and the Fleximer Conjugation Patent Rights on a world-wide basis. MTI shall keep Licensee reasonably informed and provide reasonable opportunity for Licensee to comment with respect to all material steps with regard to the filing, prosecution and maintenance of Joint Patent Rights and Fleximer Conjugation Patent Rights, and shall reasonably consider such comments in good faith. The Parties shall share equally all the costs associated with filing, prosecution, and maintenance of such Joint Patent Rights and the Fleximer Conjugation Patent Rights; provided, that Licensee shall have the right, on written notice to MTI to elect not to bear such costs with respect to a Joint Patent Right or Fleximer Conjugation Patent Right, in which case Licensee shall, and does hereby, assign its right, title and interest in and to such Joint Patent Right or Fleximer Conjugation Patent Right to MTI. If MTI decides not to continue prosecuting any Joint Patent Rights or Fleximer Conjugation Patent Rights, then MTI shall promptly so notify Licensee in writing (which written notice shall be at least [***] days before any relevant deadline prior to taking any extension for such Joint Patent Right), in which case, MTI shall, and does hereby, assign its right, title and interest in and to such Joint Patent Right to Licensee. Thereafter, Licensee shall have the right, but not the obligation, to prosecute

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or maintain such Joint Patent Right or Fleximer Conjugation Patent Right, at Licensee's sole expense.

10.3.5 **Cooperation**. The Parties shall at all times fully cooperate with each other in order to reasonably implement the foregoing provisions of this Section 10.3. Such cooperation may include each Party's execution of necessary legal documents, coordinating filing or prosecution of applications to avoid potential issues during prosecution (including novelty, enablement, estoppel and double patenting and execution of amendments), and the assistance of each Party's relevant personnel. In the case that any proposed filing with respect to any Licensee Patent Rights discloses a species generically covered by any MTI Patent Rights, Licensee and MTI will use good faith efforts to coordinate filings with respect to such Licensee Patent Rights and such MTI Patent Rights so that filings with respect to such Licensee Patent Rights are made no earlier than the same day that filings with respect to such MTI Patent Rights are made (provided, that the foregoing coordination shall (a) not unreasonably delay Licensee from making any filing with respect to a Licensee Patent Right and (b) in no event, not delay Licensee from making any filing with respect to a Licensee Patent Right by more than [***] days after notice by Licensee to MTI that Licensee is ready to make such proposed filing, which notice shall include a copy of such proposed filing). Without limitation of the foregoing, the Parties shall use reasonable efforts to avoid creating potential issues in prosecution of the patent applications covering MTI Patent Rights and Licensee Patent Rights. Except as otherwise expressly authorized in this Agreement, Licensee shall not disclose or claim in any patent application, patent or publication any MTI Confidential Information without first obtaining MTI's prior written consent. Except as otherwise expressly authorized in this Agreement, MTI shall not disclose or claim in any patent application, patent or publication any Licensee Confidential Information without first obtaining Licensee's prior written consent.

10.3.6 **Patent Term Extension and Supplementary Protection Certificate**. As between the Parties, [***] shall have the sole right to make decisions regarding, and to apply for, patent term extensions in the Territory, including the United States with respect to extensions pursuant to 35 U.S.C. §156 et. seq. and in other jurisdictions pursuant to supplementary protection certificates, and in all jurisdictions with respect to any other extensions that are now or become available in the future, wherever applicable (collectively, the "**Extensions**"), for the Licensee Patent Rights and any Joint Patent Rights and with respect to the [***], in each case including whether or not to do so. [***] shall provide prompt and reasonable assistance with respect thereto, as requested by [***], including by taking such action as patent holder as is required under any Applicable Law to obtain such extension or supplementary protection certificate.

As between the Parties, [***] shall have the sole right to make decisions regarding, and to apply for, Extensions for the [***]; provided, that [***] shall have the right, from time to time, request that [***] make an Extension with respect to a [***] and [***] shall consider any such request from [***] with regard thereto in good faith.

10.3.7 Common Ownership Under Joint Research Agreements. Notwithstanding anything to the contrary in this Article 10, neither Party shall have the right to make an election under 35 U.S.C. 102(c) when exercising its rights under this Article 10 without the prior written consent of the other Party. With respect to any such permitted election, the Parties shall coordinate their activities with respect to any submissions, filings or other activities

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in support thereof. The Parties acknowledge and agree that this Agreement is a "joint research agreement" as defined in 35 U.S.C. 100(h).

10.3.8 Joint Patent Committee.

(a) Formation and Composition. The Parties will establish a joint patent committee (the "**Joint Patent Committee**") composed of one (1) appointed representative of each of Licensee and MTI. A Party may at any time, by written notice to the other Party's representative on the Joint Patent Committee, change its representative on the Joint Patent Committee or elect to be represented by a delegate at a meeting of the Joint Patent Committee. The Joint Patent Committee will be chaired by [***]. The Parties may allow additional employees to attend meetings of the Joint Patent Committee subject to the confidentiality provisions of Article 9.

(b) Functions and Authority. The Joint Patent Committee will be responsible for only the following:

(1) Discussing the global prosecution strategy for the filing, prosecution and maintenance of the Designated Patent Rights;

(2) Overseeing and coordinating the activities of outside counsel with respect to such Designated Patent Rights;

(3) Keeping each Party reasonably informed and providing each Party a reasonable opportunity to comment with respect to all material steps with regard to the filing, prosecution and maintenance of such Designated Patent Rights;

(4) Coordinating with the Parties in accordance with Section 10.3.5 to reasonably avoid creating potential issues in prosecution of the patent applications covering each Party's other respective Patent Rights;

(5) Subject to Section 10.3.1, discussing and providing Licensee with the overall patent prosecution strategy determined by MTI for, and status updates with respect to, the MTI Patent Rights relevant to the activities undertaken by either or both Party(ies) pursuant to a Research Plan; and

(6) Such other matters as the Parties may mutually agree in writing.

(c) Meetings. During the Term of the Agreement, the Joint Patent Committee will meet in person or by teleconference or videoconference when and as reasonably requested by a representative to the Joint Patent Committee.

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(d) Decisions. The Joint Patent Committee will seek to make all decisions by consensus. In the event that the Joint Patent Committee cannot agree on an issue that is subject to its decision-making authority, (1) to the extent relating to a [***], [***] will have sole and final decision making authority relating to such issue, (2) to the extent relating to [***], [***] will have sole and final decision making authority relating to such issue and (3) to the extent relating to a [***] will have sole and final decision making authority relating to such issue, and such issue will only be decided by [***].

(e) Minutes and Reports. The Joint Patent Committee will draft, distribute and maintain accurate minutes of its meetings, including with respect to all proposed decisions and recommended actions or decisions taken, in accordance with policies to be agreed by the Joint Patent Committee.

(f) Duration. Unless earlier terminated by mutual written consent of the Parties, the Joint Patent Committee will be in existence until the expiration of the last Designated Patent Right.

10.4 Enforcement of Patent Rights.

10.4.1 MTI Patent Rights. Unless MTI gives Licensee the right to bring and control an action to enforce the MTI Patent Rights as contemplated below, MTI shall have the sole right, at its sole expense, but not the obligation, to determine the appropriate course of action to enforce the MTI Patent Rights or otherwise abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce the MTI Patent Rights, to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to the MTI Patent Rights. MTI shall in good faith consider the interests of the Licensee in conducting the foregoing activities. Licensee shall fully cooperate with MTI in any such

action at MTI's expense, to enforce the MTI Patent Rights, including being joined as a party to such action if necessary. If MTI fails to enforce the MTI Patent Rights with respect to the Manufacture or Commercialization by any Third Party of a product that is directly competitive with a Licensed Product, that infringes an MTI Patent Right and, following the commercial launch of which in a country in the Territory, (a) the Net Sales of Licensed Products in the applicable country(ies) are reduced in any Calendar Quarter by at least [***] percent [***] of Net Sales of such Licensed Product for the Calendar Quarter immediately preceding the commercial launch of such product in the applicable country(ies) or (b) the unit volume sales of such product in the applicable country(ies) meet or exceed [***] percent [***] of the total unit volume sales of all such products and Licensed Products in such country(ies) (as determined in accordance with Section 7.5.1(f) and 7.5.2(g)) (thereafter, a "**Competitive Product**"), then the royalties otherwise payable by Licensee on the Net Sales of Licensed Product(s) directly competitive with such Competitive Product in such country(ies) shall be reduced by [***] percent [***]; provided, that if MTI gives Licensee the right to bring and control any such action to enforce the MTI Patent Rights within a period of [***] days after MTI first becomes aware of such infringement (or such shorter period as may be necessary to permit Licensee sufficient time to bring such action within time requirements of the Biologics Price Competition and Innovation Act of 2009, as amended from time to time, or any other Applicable Law) and fully cooperates with Licensee, at Licensee's expense, in any such action, including being joined as a party to such action if necessary, then the foregoing reduction in royalties shall

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not apply. All monies recovered upon the final judgment or settlement of any such suit to enforce any such MTI Patent Rights with respect to a Competitive Product shall be allocated first to the Party prosecuting such action to the extent necessary to compensate it for its expenses in its enforcement, second to the non-prosecuting Party to the extent necessary to compensate it for its expenses in cooperating with the prosecuting Party in the prosecuting Party's enforcement (to the extent not otherwise reimbursed), and finally any remaining amounts shall be split between the Parties so that [***] retains [***] percent [***] and non-prosecuting Party retains [***] percent [***] of such amounts.

10.4.2 Licensee Patent Rights. Licensee shall have the sole right, at its sole expense, but not the obligation, to determine the appropriate course of action to enforce Licensee Patent Rights, or otherwise to abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce the Licensee Patent Rights, to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to the Licensee Patent Rights. MTI shall fully cooperate with Licensee, at Licensee's expense, in any such action to enforce the Licensee Patent Rights, including being joined as a party to such action if necessary. All monies recovered upon the final judgment or settlement of any such suit to enforce any Licensee Patent Rights shall be allocated first to Licensee to the extent necessary to compensate it for its expenses in its enforcement, second to MTI to the extent necessary to compensate it for its expenses in cooperating with Licensee in its enforcement, with any remainder retained by [***]; provided, that to the extent that any remainder retained by [***] is attributable [***] to Sections 7.5.1 and 7.5.2 shall be payable by [***] to [***]; provided, further, that for purposes of determining whether any [***] are attributed in the applicable damage award.

10.4.3 Joint Patent Rights.

(a) MTI shall have the sole right, at its sole expense, to determine the appropriate course of action to enforce Joint Patent Rights, or otherwise to abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce the Joint Patent Rights, to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to the Joint Patent Rights, in each case in connection with any product Developed or Commercialized by or on behalf of MTI (except pursuant to this Agreement). All monies recovered upon the final judgment or settlement of any such suit to enforce any such Joint Patent Rights shall be allocated first to MTI to the extent necessary to compensate it for its expenses in its enforcement, second to the Licensee to the extent necessary to compensate it for its expenses in cooperating with MTI in its enforcement (to the extent not otherwise reimbursed), and finally any remaining amounts shall be retained by MTI. Licensee shall fully cooperate with MTI, at MTI's expense, in any action to enforce the Joint Patent Rights in connection therewith, including being joined as a party to such action if necessary.

(b) Licensee shall have the sole right, at its sole expense, to determine the appropriate course of action to enforce Joint Patent Rights, or otherwise to abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce the Joint Patent Rights, to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to the Joint Patent

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Rights, in each case in connection with any product Developed or Commercialized by or on behalf of Licensee. All monies recovered upon the final judgment or settlement of any such suit to enforce any such Joint Patent Rights shall be allocated first to Licensee to the extent necessary to compensate it for its expenses in its enforcement, second to the MTI to the extent necessary to compensate it for its expenses in cooperating with Licensee in its enforcement (to the extent not otherwise reimbursed), and finally any remaining amounts shall be retained by Licensee. MTI shall fully cooperate with Licensee, at Licensee's expense, in any action to enforce the Joint Patent Rights in connection therewith, including being joined as a party to such action if necessary.

10.4.4 Notification of Infringement. In the event either Party becomes aware of an infringement by a Third Party of a MTI Patent Right or Licensee Patent Right relating to an ADC or Licensed Product, or a Joint Patent Right, it shall promptly notify the other Party. In no event shall a Party make an argument or settle a dispute that would render a claim in a Joint Patent Right to be invalid or unenforceable without the other Party's prior written consent.

10.5 Prior Patent Rights. Notwithstanding anything to the contrary in this Agreement, with respect to any MTI Patent Rights that are subject to the MTI In-Licenses, the rights and obligations of the Parties under Section 10.3 and 10.4 shall be subject to MTI's licensors' rights to participate in and control prosecution, maintenance and enforcement of such MTI Patent Rights, and to receive a share of damages recovered in such action, in accordance with the terms and conditions of the applicable MTI In-License.

10.6 **Separate Representation**. The Party not bringing an action with respect to an infringement in the Territory under this Article 10 shall be entitled to separate representation in such matter by counsel of its own choice and at its own expense, but such Party shall at all times cooperate fully with the Party bringing such action; provided that to the extent such separate representation is retained and used in connection with any cooperation provision of this Article 10 or Article 11, the Party bringing such action shall reimburse such cooperating Party for the cost of such counsel, if required under such Articles.

10.7 **Trademarks**. Licensee shall be responsible for the selection, registration, maintenance and defense of all trademarks for use in connection with the sale or marketing of the Licensed Product in the Territory (collectively, "**Product Trademarks**") at Licensee's own cost and expense, and Licensee shall own such Product Trademarks. MTI shall not, and shall not permit its Affiliates to, (a) use in their respective businesses, any trademark that is confusingly similar to, misleading or deceptive with respect to or that dilutes any (or any part) of any Product Trademark and (b) do any act that endangers, destroys, or similarly affects, in any material respect, the value of the goodwill pertaining to any Product Trademark. MTI shall not, and shall not permit its Affiliates to, attack, dispute or contest the validity of or ownership of any Product Trademark anywhere in the Territory or any registrations issued or issuing with respect thereto, other than any Product Trademark that is confusingly similar to, misleading or deceptive with respect to or that dilutes any (or any part) of any MTI Trademark. Licensee shall not, and shall not permit its Affiliates to, attack, dispute or contest the validity of or ownership of any trademark owned or Controlled by MTI that is used in connection with the sale or marketing of Cytotoxic Compounds or Fleximer, or products arising out of Exploitation of the MTI Platform Technology ("**MTI Trademarks**"), anywhere in the Territory or any registrations issued or

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issuing with respect thereto, other than any MTI Trademark that is confusingly similar to, misleading or deceptive with respect to or that dilutes any (or any part) of any Product Trademark.

ARTICLE 11 - INFRINGEMENT OR OTHER ACTIONS BROUGHT BY THIRD PARTIES

11.1 **Third Party Actions**.

11.1.1 Each Party shall immediately disclose to the other Party in writing any warning letter or other notice of infringement or misappropriation received by a Party, or any action, suit or proceeding brought against a Party alleging infringement of a Patent Right or misappropriation of intellectual property of any Third Party with regard to any aspect of the conduct by either Party, its Affiliates or Sublicensees pursuant to this Agreement or a Research Program (each, a "**Third Party Action**").

11.1.2 **MTI Rights and Obligations**. Except as provided in Section 11.1.3, MTI, at its own expense and through counsel of its choosing, shall have the sole right, but not the obligation to defend against any Third Party Action in the Territory alleging that the practice of the MTI Technology or Development, Manufacture, Commercialization or other Exploitation of the MTI Linker Technology or a Cytotoxic Compound infringes or misappropriates a Third Party's intellectual property rights. MTI shall have the sole and exclusive right to select counsel for such Third Party Action.

11.1.3 **Licensee Right to Defend**. Licensee, at its own expense and through counsel of its choosing, shall have the sole right, but not the obligation to defend against any Third Party Action in the Territory alleging that the Development, Manufacture, Commercialization or other Exploitation of any Licensed Product infringes or misappropriates a Third Party's intellectual property rights. To the extent such Third Party Action alleges that any Cytotoxic Compound or Payload, as applicable, MTI Linker Technology or any other MTI Technology (or any Know-How or Patent Right that, but for any misappropriation by or on behalf of MTI or any of its Affiliates, would be considered a Cytotoxic Compound, MTI Linker Technology or other MTI Technology under this Agreement), or the Exploitation thereof, infringes or misappropriates a Third Party's intellectual property rights and Licensee obtains a license or other rights from such Third Party to such intellectual property rights, whether by license, settlement, judgment or otherwise, Licensee shall be entitled to offset up to [***] percent [***] of the reasonable out-of-pocket costs of defending or settling such Third Party Action under this Section 11.1.3 (including the payment of any damage awards, settlement amounts or other similar amounts payable to such Third Party) in a given Calendar Quarter against any royalties owed to MTI under Section 7.5.1 and 7.5.2 for such Calendar Quarter, with any balance then remaining to be carried over to royalties due with respect to subsequent Calendar Quarters, up to a maximum amount for each Calendar Quarter of [***] percent [***] of the royalties owed with respect to such subsequent Calendar Quarter; provided, that if such Third Party Action relates to a breach of a representation, warranty or covenant of MTI in Article 12, Licensee shall be entitled to recover, pursuant to, and to the extent provided in, Article 14, any of its reasonable out-of-pockets costs of defending or settling such Third Party Action (including the payment of any damage awards, settlement amounts or other similar amounts payable to such Third Party)

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that are not offset under this Section 11.1.3. Licensee shall have the sole and exclusive right to select counsel for such Third Party Action.

11.1.4 **Consultation; Settlement**. The Parties may consult with one another on all material aspects of the defense of Third Party Actions. The Parties shall reasonably cooperate with each other in all such actions or proceedings. No Party shall admit the invalidity or unenforceability of any Patent Right Controlled by the other Party without the other Party's prior written consent.

11.2 **Invalidity or Unenforceability Defenses or Actions**. Each Party shall promptly notify the other Party in writing of any alleged or threatened assertion of invalidity or unenforceability of any of the Joint Patent Rights by a Third Party of which such Party becomes aware. Upon receipt of any such notice, the Parties shall promptly meet to discuss in good faith the most favorable approach to defend against any such allegation in light of each Party's commercial interests therein, including which Party should control the defense of the validity and enforceability of the Joint Patent Rights and the allocation of costs and expenses with respect thereto; provided, that as between the Parties, if any such invalidity or unenforceability of a Joint Patent Right is raised as a defense or counterclaim in connection with a Third Party Action initiated pursuant to Section 11.1.1, the Party controlling such Third Party Action pursuant to

Section 11.1.2 or 11.1.3, as applicable, shall have the right, but not the obligation, to defend and control the defense of the validity and enforceability of such Joint Patent Rights at its sole expense in the Territory and using counsel of its own choice. If the controlling Party with respect to a Joint Patent Right elects not to defend or control the defense of the Joint Patent Rights, in a suit brought in the Territory or otherwise fails to initiate and maintain the defense of any such claim, suit or proceeding, then the other Party may conduct and control the defense of any such claim, suit or proceeding using counsel of its own choice at its sole cost and expense. Where a Party controls such an action, the other Party shall have the right to participate in any such claim, suit or proceeding with counsel of its choice at its sole cost and expense (provided, that the controlling Party shall retain control of the defense in such claim, suit or proceeding) and shall cause its Affiliates to, assist and cooperate with the controlling Party, at the controlling Party's expense, as such controlling Party may reasonably request from time to time in connection with its activities set forth in this Section. In connection with any activities with respect to a defense, claim or counterclaim relating to the Joint Patent Rights pursuant to this Section 11.2, the controlling Party shall (x) consult with the other Party as to the strategy for such activities, (y) consider in good faith any comments from the other Party and (z) keep the other Party reasonably informed of any material steps taken and provide copies of all material documents filed, in connection with such defense, claim or counterclaim.

11.3 Third Party Rights. If in the reasonable opinion of a Party, the Development, Manufacture, Commercialization or other Exploitation of a Licensed Product hereunder infringes or is reasonably expected to infringe or misappropriate any Patent Right, trade secret or other intellectual property right of a Third Party in any country in the Territory, then such Party shall have the right, but not the obligation, to negotiate and obtain a license or other rights from such Third Party to such rights as necessary or desirable to Develop, Manufacture and Commercializes such Licensed Product in such country. In the event that Licensee negotiates and obtains any such license from a Third Party, Licensee shall be entitled to deduct amounts payable to such Third Party from the royalties payable to MTI hereunder in accordance with, and

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to the extent provided in, Section 7.6.2. In the event that MTI negotiates and obtains any such license from a Third Party, then either (a) such license must include a right for MTI to sublicense (through multiple tiers) to third parties (including to Licensee) and not contain any terms that treat sublicensees (including Licensee) materially less favorably than MTI, and MTI will provide to Licensee a written description of such license, including all material applicable terms thereof (including, for clarity, financial terms) or (b) if such license does not contain terms described in clause (a) of this sentence, then such license obtained by MTI shall not include in its scope a right to (or otherwise limit or restrict Licensee's right to obtain from such Third Party the right to) Develop, Manufacture, Commercialize or Exploit ADCs or Licensed Products during the Term of this Agreement, and MTI will provide to Licensee a written notice certifying the foregoing in this clause (b). If Licensee provides written notice to MTI that it wishes to obtain a sublicense under such license described in clause (a) of this Section 11.3, the Parties will negotiate the terms and conditions of such sublicense in good faith for a period of not less than [***] months, which financial terms will reflect an equitable allocation of the economic obligations of MTI under such license in relation to the portion of the rights to be sublicensed to Licensee thereunder. If such good faith negotiation does not result in a binding agreement, Licensee may by written notice to MTI require that such dispute be resolved in accordance with Section 19.3 and submitted to a [***] pursuant to Section 19.3.4.

ARTICLE 12 - REPRESENTATIONS AND WARRANTIES; COVENANTS

12.1 Mutual Representations and Warranties. Each Party hereby represents and warrants, as of the Original Effective Date and as of the Amendment Effective Date, and covenants (as applicable) to the other Party as follows:

(a) Corporate Existence and Power. It is a company or corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is incorporated, and has full corporate power and authority and the legal right to own and operate its property and assets and to carry on its business as it is now being conducted and as contemplated in this Agreement, including the right to grant the licenses granted by it hereunder.

(b) Authority and Binding Agreement. As of the Original Effective Date and the Amendment Effective Date, (i) it has the corporate power and authority and the legal right to enter into this Agreement and perform its obligations hereunder; (ii) it has taken all necessary corporate action on its part required to authorize the execution and delivery of the Agreement and the performance of its obligations hereunder; (iii) the Agreement has been duly executed and delivered on behalf of such Party, and constitutes a legal, valid, and binding obligation of such Party that is enforceable against it in accordance with its terms; and (iv) its execution of and performance under this Agreement will not violate or breach any obligation or restriction (including any confidentiality or non-competition obligation or any exclusivity restriction) to which such Party is legally bound by contract, judicial order or otherwise.

(c) No Conflict. It is not a party to any agreement that would prevent it from granting the rights granted to the other Party under this Agreement or performing its obligations under the Agreement. It has the full right to grant the licenses or sublicenses (as applicable) granted herein and such grant shall not result in the misappropriation of any Third Party intellectual property or violation of such Third Party's rights with respect thereto. During

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the Term, it will not enter into any agreement, contract, commitment or other arrangement that could reasonably be expected to conflict with the rights granted to the other Party hereunder or otherwise prevent the other Party from exercising the rights granted to it hereunder. Neither Party shall misappropriate any trade secret of a Third Party in connection with the performance of its activities hereunder.

(d) No Debarment. It shall not use, during the Term, any employee or consultant who has been debarred by any Regulatory Authority, or, to the best of such Party's knowledge, is the subject of debarment proceedings by a Regulatory Authority.

(e) **Government Authorizations**. It will maintain throughout the Term all permits, licenses, registrations, and other forms of authorizations and approvals from any Governmental Authority, necessary or required to be obtained or maintained by such Party in order for such Party to execute and deliver this Agreement and to perform its obligations hereunder in a manner which complies with all Applicable Laws.

12.2 **Additional Representations, Warranties and Covenants of MTI**. MTI represents and warrants as of (a) the Original Effective Date with respect to any prior representation or warranty, and (b) each separate date upon which Licensee (i) designates a Designated Target Antigen (including any Replacement Antigen to any Designated Target Antigen) (which date, with respect to the Designated Target Antigen [***] (other than any Replacement Antigen with respect thereto), shall be the Original Effective Date and shall not require a certification pursuant to the following proviso) or (ii) exercises an Option with respect to a Designated Target Antigen (provided, that MTI shall, and without limiting Licensee's rights or remedies hereunder, including as set forth in Section 14.1.1, within [***] Business Days of the designation of each Designated Target Antigen or exercise of an Option with respect to a Designated Target Antigen (each such date, the "**Certification Date**"), provide Licensee with a written certification that such representations and warranties are true and correct (including that such representations and warranties continue to be, and would be (to the extent not then granted), true and correct with respect to the rights granted pursuant to the Research License and the Exclusive License with respect to the applicable Target) as of the Certification Date, except as may be specifically disclosed in such certification with respect to events or activities occurring after the Original Effective Date or the last Certification Date, whichever is later, and Licensee shall have the right within [***] Business Days of receipt of any such certification to withdraw its designation of such Designated Target Antigen or exercise of its Option with respect to such Designated Target Antigen, as applicable, in which case such withdrawn Designated Target Antigen shall not count as a Designated Target Antigen and Licensee shall have the right to designate another Designated Target Antigen in place thereof), and covenants (as applicable) to Licensee as follows:

(a) **Non-Infringement of MTI Patent Rights by Third Parties**. To MTI's knowledge, there are no activities by Third Parties that would constitute infringement of the MTI Patent Rights within the Territory.

(b) **Ownership**. MTI Controls the MTI Technology free and clear of all liens (excluding licenses that do not conflict with the rights granted Licensee hereunder). MTI has not misappropriated any intellectual property of a Third Party in connection with

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developing the MTI Technology or the performance of the Research Program or its other obligations under this Agreement.

(c) **Validity and Enforceability**. MTI has complied in all material respects with all Applicable Laws with respect to the filing, prosecution and maintenance of those MTI Patent Rights owned by MTI or otherwise of which MTI has control of such filing, prosecution and maintenance (the "**MTI Prosecution Patent Rights**") and, to MTI's knowledge, the filing, prosecution and maintenance of all other MTI Patent Rights has been in compliance in all material respects with all Applicable Laws with respect thereto. MTI has paid all maintenance and annuity fees with respect to the MTI Prosecution Patent Rights due and, to MTI's knowledge, all maintenance and annuity fees with respect to all other MTI Patent Rights have been paid when due. No dispute regarding inventorship has been alleged or threatened with respect to the MTI Prosecution Patent Rights or, to MTI's knowledge, with respect to any other MTI Patent Rights.

(d) **No Action or Claim**. There (i) are no actual, pending or, to MTI's knowledge, alleged or threatened, adverse actions, suits, claims, interferences, re-examinations, oppositions, inventorship challenges or formal governmental investigations involving the MTI Technology by or against MTI or any of its Affiliates, in each case that are in or before any Governmental Authority, and (ii) are no actual, pending or, to MTI's knowledge, alleged or threatened, adverse actions, suits, claims, interferences, re-examinations, oppositions, inventorship challenges or formal governmental investigations involving the MTI Technology, in each case that are in or before any Governmental Authority, which if adversely determined would have a material effect upon the ability of MTI to use or provide the MTI Technology in connection with the activities to be conducted hereunder, or to fulfil its obligations pursuant to the terms of this Agreement.

(e) **Completeness**. Schedule B includes a complete and correct list, in all respects, of all MTI Patent Rights. No rights or licenses are required under the MTI Technology or MTI Regulatory Documentation for Licensee to Develop, Manufacture or Commercialize ADCs and Licensed Products as contemplated herein other than those granted under Article 3. Neither MTI nor any of its Affiliates has previously entered into any agreement, whether written or oral, with respect to or otherwise assigned, transferred, licensed, conveyed or otherwise encumbered its right, title or interest in or to (a) the MTI Technology or MTI Regulatory Documentation (including by granting any covenant not to sue with respect thereto) or (b) any Patent Right or other intellectual property or proprietary right that would be MTI Technology or MTI Regulatory Documentation, but for such assignment, transfer, license, conveyance or encumbrance, in each case (of (a) and (b)), that is inconsistent with or otherwise diminish the rights and licenses granted to Licensee under this Agreement. To MTI's knowledge, (x) the materials supplied by MTI for the conduct of the Research Plan for the first Research Program and (y) the use and practice of the MTI Technology as contemplated hereunder, in each case ((x) and (y)), would not infringe any intellectual property rights of any Third Party.

(f) **MTI In-Licenses**. Schedule C sets forth a true and complete list of all MTI In-Licenses and, with respect to any representations and warranties made after the Original Effective Date, any Future MTI In-Licenses. MTI has, prior to the Original Effective

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Date, provided Licensee with access to true and complete copies of each of the agreements listed in Schedule C and any prior agreements where surviving obligations restrict or have an adverse material impact on either Party with respect to the MTI Technology. As of the Original Effective Date and each Certification Date, (1) the licenses in the MTI In-Licenses and any Future MTI In-Licenses are sublicensable; (2) the MTI In-Licenses and any Future MTI In-

Licenses are in full force and effect, have been duly maintained, have not been cancelled, expired or abandoned; (3) MTI is not aware of any challenges to or violation of the rights granted thereunder by any Third Party; (4) MTI is not in breach under any of the MTI In-Licenses or and any Future MTI In-Licenses, nor, to MTI's knowledge, is any counterparty thereto; and (5) MTI has not received any notice of breach under any of the MTI In-Licenses or any Future MTI In-Licenses and MTI does not know of any basis for any such action. The scope of the rights granted to Licensee hereunder to intellectual property licensed pursuant to the MTI In-Licenses and any Future MTI In-Licenses are no more restricted than the analogous rights granted to Licensee hereunder with respect to intellectual property rights wholly owned by MTI or its Affiliates. To MTI's knowledge, no Third Party Manufacturer or supplier of ADCs (including any component thereof) engaged by MTI as of the Original Effective Date or any Certification Date Controls (as such defined term would apply to such Third Party if such Third Party were a Party to this Agreement) any Know-How or Patent Right that Licensee would be required to license in order for Licensee to manufacture such ADCs (including any such component thereof) without infringing the intellectual property rights of such Third Party.

(g) **Manufacturing Agreements**. There are no exclusivity provisions or any other restrictions in any agreement between MTI or its Affiliates, on the one hand, and any Third Party Manufacturer of the ADCs (including any intermediate or component thereof), on the other hand, that would limit Licensee's ability to have the ADCs or Licensed Product (including any intermediate or component thereof) Manufactured.

(h) **Compliance with Applicable Law**. The Development of MTI Technology has been conducted by MTI and its Affiliates and its and their subcontractors, in compliance with all Applicable Law in all material respects. Neither MTI nor any of its Affiliates, nor any of their respective officers, employees or agents, has made an untrue statement of a material fact or fraudulent statement to any Regulatory Authority or failed to disclose a material fact required to be disclosed to any Regulatory Authority. To MTI's knowledge, the pending applications included in MTI Patent Rights are being diligently prosecuted in the respective patent offices in the Territory in accordance with Applicable Law and MTI and its Affiliates have presented all relevant references, documents and information of which it and the inventors are aware to the relevant patent examiner at the relevant patent office.

(i) **Toxins and Conjugation Technology**. Schedule E.1 sets forth a true and complete list of Cytotoxic Compounds with respect to which MTI or its Affiliates Control MTI Technology. With respect to each Target, (i) MTI is not a party to any agreement that would prevent it from granting the rights granted to Licensee under this Agreement or performing its obligations under the Agreement, (ii) MTI has the full right to grant the Research License and Exclusive License, as applicable, granted herein and such grant shall not result in the misappropriation of any Third Party intellectual property or violation of any Third Party's rights with respect thereto and (iii) MTI has not granted to any Third Party any right or license,

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including any covenant not to sue, to Exploit any Cytotoxic Compound or the MTI Linker Technology in connection with any Antibody Directed to a Target.

For clarity, the Parties acknowledge and agree that MTI provided Licensee with the written certifications required by the this Section 12.2 for (A) Exclusive Target Antigen [***], prior to the Amendment Effective Date.

12.3 **Additional Covenants of MTI**.

(a) MTI shall not grant a lien on the MTI Technology to any Third Party or knowingly permit a lien to be imposed on the MTI Technology (excluding liens that do not conflict with the rights granted Licensee hereunder). MTI will not misappropriate any intellectual property of a Third Party in connection with developing the MTI Technology or the performance of the Research Program or its other obligations under this Agreement.

(b) MTI will not enter into any agreement with respect to or otherwise assign, transfer, license, convey or otherwise encumbered its right, title or interest in or to (i) the MTI Technology or MTI Regulatory Documentation (including by granting any covenant not to sue with respect thereto) or (ii) any Patent Right or other intellectual property or proprietary right that would be MTI Technology or MTI Regulatory Documentation, but for such assignment, transfer, license, conveyance or encumbrance, in each case of (i) and (ii), that is inconsistent with or otherwise diminishes the rights and licenses granted to Licensee under this Agreement. MTI shall maintain and perform its obligations under the MTI In-Licenses and any Future MTI In-Licenses and maintain such MTI In-Licenses and any Future MTI In-Licenses in full force and effect during the Term and will not amend any MTI In-Licenses or any Future MTI In-Licenses in a manner than adversely affects Licensee's rights hereunder, without having first obtained Licensee's express prior written consent. Notwithstanding anything to the contrary in this Agreement, MTI may elect in its sole discretion to terminate that certain Second Amended and Restated Licensed Agreement, MGH Agreement No.: A015753, by and between The General Hospital Corporation d/b/a Massachusetts General Hospital and MTI dated as of October 19, 2005, as amended, at any time after the expiration of the last to expire Patent Rights Covering Fleximer that MTI in-licensed from the General Hospital pursuant to the aforementioned agreement in this Section 12.3(b).

(c) All ADC Materials and Study Materials provided by or on behalf of MTI hereunder will be Manufactured in conformance with Applicable Law and this Agreement.

12.4 **Performance by Affiliates**. The Parties recognize that each may perform some or all of its obligations under this Agreement through Affiliates; provided, that each Party shall remain responsible and be a 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.

12.5 **DISCLAIMER OF WARRANTIES**. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH HEREIN, NEITHER PARTY MAKES ANY REPRESENTATIONS OR GRANTS ANY WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE AND

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EACH PARTY SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OR ANY WARRANTY AS TO THE VALIDITY OF ANY PATENT RIGHTS OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

ARTICLE 13 - TERM AND TERMINATION

13.1 Term. Unless earlier terminated pursuant to this Article 13, the term of this Agreement (the "**Term**") shall commence on the Original Effective Date and shall remain in full force and effect until the date of expiration of the last to expire Royalty Term.

13.2 Termination by Licensee. Licensee shall have the right, at any time, to (a) terminate this Agreement in its entirety, or with respect to an Exclusive License only, by providing not less than forty-five (45) days' prior written notice to MTI of such termination or (b) terminate a Research License with respect to a Designated Target Antigen, by providing not less than sixty (60) days' prior written notice to MTI of such termination. Any such termination of a Research License or an Exclusive License shall not affect the continuation of any other Research License or Exclusive License or this Agreement; provided that, notwithstanding the foregoing, Licensee may not terminate this Agreement under this Section 13.2 with respect to an Exclusive License relating to a Co-Exploited Product.

13.3 Termination for Cause.

13.3.1 Material Breach. Either Party may (but is not required to and without limitation of any other right or remedy such Party may have) terminate this Agreement for material breach by the other Party (the "**Breaching Party**") of this Agreement if the Breaching Party has not cured such breach within [***] days after notice thereof (such period, the "**Notice Period**") specifying the breach and its claim of right to terminate, other than (a) with respect to a breach of a payment obligation, in which case the Notice Period shall be [***] days, (b) with respect to a breach that cannot be cured within the Notice Period and the Breaching Party commences actions to cure such breach within the Notice Period, in which case the Notice Period shall be tolled (provided, that the Breaching Party thereafter diligently continues such actions), (c) with respect to a material breach by Licensee that is limited to [***] hereunder, in which case, subject to the remainder of this Section 13.3.1, MTI shall only have the right to terminate this Agreement with respect to such Exclusive License or (d) with respect to any alleged breach by Licensee of its diligence obligations set forth in Section 5.1, in which case MTI shall first provide written notice thereof to Licensee and the Parties shall meet within [***] days after delivery of such notice to Licensee to discuss in good faith such alleged breach and Licensee's Development or Commercialization plans, as applicable, with respect to the applicable Licensed Product, which discussions shall be concluded before MTI may issue any such termination notice with respect to such alleged breach; provided, that if either Party initiates a dispute resolution procedure under Section 19.3 as permitted under this Agreement to resolve the dispute for which termination is being sought within [***] days following the end of the Notice Period and is diligently pursuing such procedure, the Notice Period shall be tolled and the termination shall become effective only if such breach remains uncured for [***] days after the final resolution of the dispute through such dispute resolution procedure (or, if the breach cannot

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be cured within such [***] day period, if the Breaching Party commences actions to cure such breach within such period and thereafter diligently continues such actions). It is understood that termination pursuant to this Section 13.3.1 shall be a remedy of last resort and may be invoked only in the case where the breach cannot be reasonably remedied by the payment of money damages.

13.3.2 Bankruptcy. This Agreement may be terminated by either Party upon the filing or institution of bankruptcy, reorganization, liquidation or receivership proceedings, or upon an assignment of a substantial portion of the assets for the benefit of creditors by the other Party; provided, however, that in the event of any involuntary bankruptcy or receivership proceeding such right to terminate will only become effective if the Party consents to the involuntary bankruptcy or receivership or such proceeding is not dismissed within [***] days after the filing of such bankruptcy or receivership.

13.4 License Survival Upon Insolvency. All licenses (and to the extent applicable, rights) granted under or pursuant to this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of 11 U.S.C. Section 101, et. seq. ("**Bankruptcy Code**"), licenses of rights to "intellectual property" as defined under the Paragraph 101(35A) of the Bankruptcy Code. The Parties agree that the non-bankrupt Party shall retain and may fully exercise all of its rights and elections under Applicable Law. The Parties further agree that, in the event of the commencement of bankruptcy proceeding by or against a bankrupt Party, the other Party shall be entitled to a complete duplicate of (or complete access to, as appropriate) any intellectual property which at that date is known to be useful or necessary for the Research Program or the Development, Manufacture or Commercialization or other Exploitation of ADCs or Licensed Products throughout the Territory and all embodiments of such intellectual property; and the same, if not already in the other Party's possession, shall be promptly delivered to the other Party (a) upon any such commencement of a bankruptcy proceeding, upon the other Party's written request therefor (which request must identify the specific intellectual property), unless the bankrupt Party (or trustee on behalf of the bankrupt Party) elects within [***] days to continue to perform all of its obligations under this Agreement or (b) if not delivered under (a) above, upon rejection of this Agreement by or on behalf of the bankrupt Party, upon written request therefore by the other Party.

13.5 Effect of Expiration and Termination.

13.5.1 General Effects. Except where explicitly provided within this Agreement, expiration or termination of this Agreement or any Exclusive License, as applicable for any reason, or expiration of this Agreement, will not affect any: (a) obligations, including payment of any royalties or other sums which have accrued as of the date of termination or expiration, or (b) [***] following termination, subject to Licensee's obligation to make corresponding payments with respect to any such sales pursuant to Article 7. Notwithstanding the foregoing, but subject to Section 13.5.4, upon expiration or termination of this Agreement, all licenses granted by either Party to the other Party hereunder (other than pursuant to Section 3.3), including all Exclusive Licenses, and all sublicenses granted by either Party thereunder, will immediately terminate upon termination of this Agreement in its entirety; provided, that (x) in the event of a termination with respect to one Exclusive License, only such Exclusive License shall terminate and (y) in the event of a termination with respect to one Research License, only

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such Research License and the Research Program with respect to the applicable Designated Target Antigen shall terminate.

13.5.2 **Effect of Termination by Licensee for Convenience or by MTI for Cause**. If Licensee terminates this Agreement in its entirety pursuant to Section 13.2 or MTI terminates this Agreement in its entirety pursuant to Section 13.3, all Research Licenses and Exclusive Licenses granted by MTI to Licensee (and then in effect) shall automatically be terminated, except that the Exclusive License relating to a Co-Exploited Product shall survive such termination, and Licensee shall (except as permitted in Section 13.5.1(b)) immediately cease Commercialization of any Licensed Product in the Territory for which, and for so long as, there remains any Valid Patent Claim of the Product Patent Rights claiming the composition of matter of the ADC contained in such Licensed Product. If Licensee terminates an Exclusive License pursuant to Section 13.2 with respect to a Licensed Product or MTI terminates an Exclusive License pursuant to Section 13.3.1, all Research Licenses and Exclusive Licenses granted by MTI to Licensee (and then in effect) with respect to such Licensed Product shall automatically be terminated and Licensee shall (except as permitted in Section 13.5.1(b)) immediately cease Commercialization of such Licensed Product in the Territory if, and for so long as, there remains any Valid Patent Claim of the Product Patent Rights claiming the composition of matter of the ADC contained in such Licensed Product.

13.5.3 **Effect of Termination by Licensee for Cause**. In the event that Licensee is entitled to terminate this Agreement in its entirety pursuant to Section 13.3, Licensee may, as an alternative, elect to either (a) terminate this Agreement in its entirety or (b) maintain this Agreement in effect, except (i) that Licensee's obligations to make payments to MTI pursuant to Article 7 shall be reduced to [***] percent [***] of the amount otherwise payable thereunder and (ii) the rights and obligations of Sections 3.3, 3.10, 5.1, the second sentence of Section 5.2, Section 5.5, and Section 6.3 shall terminate, and Licensee may terminate the Co-Exploitation Terms at Licensee's option.

13.5.4 **License to Licensee Upon Royalty Term Expiration**. Upon the date of expiration of each Royalty Term with respect to a Licensed Product in a country, the Exclusive License granted with respect to such Licensed Product in such country shall automatically be converted into a royalty-free, fully-paid, perpetual, worldwide, nonexclusive, freely transferable and sublicensable license to use the MTI Technology to make, use, sell, offer for sale and import such Licensed Product, with no further obligation to MTI.

13.5.5 **Survival**. All provisions which, by their nature, are intended to survive the expiration or termination of this Agreement, will remain in effect beyond expiration or termination of this Agreement including the following: Article 1, Section 2.2.4, Section 3.3, Section 3.11, Article 8, Article 9, Section 10.2, Section 12.5, Section 13.4, this Section 13.5, Article 14, Article 17, Article 18 and Article 19. The Co-Exploitation Terms shall survive expiration or termination of this Agreement as set forth therein.

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ARTICLE 14 - INDEMNITY; LIMITATION OF LIABILITY

14.1 **Indemnity**.

14.1.1 MTI shall defend, indemnify and hold harmless Licensee, its Affiliates and its and their respective directors, officers, employees and agents from and against all liabilities, losses, damages, and expenses, including reasonable attorneys' fees and costs, (each, a "**Liabilities**") resulting from all Third Party claims, suits, actions, terminations or demands (each, a "**Claim**") to the extent such Claims are incurred, relate to, are in connection with or arise out of (a) the breach or non-fulfillment of this Agreement by MTI, (b) the negligence, recklessness or willful misconduct of MTI in connection with the performance of its obligations hereunder, (c) violation of Applicable Law by MTI in connection with the performance of its obligations hereunder, or (d) the Development or Commercialization of the Co-Exploited Product by or on behalf of MTI, or (e) any action or omission of the Gatekeeper in performing its obligations under or in connection with this Agreement (including in connection with any information provided to the Gatekeeper by or on behalf of MTI), except in each case ((a), (b), (c), (d) or (e)), to the extent such Liabilities resulted from any action for which Licensee must indemnify MTI under Sections 14.1.2 (a), (b), (c) or (d).

14.1.2 Licensee shall defend, indemnify and hold harmless MTI, its Affiliates and its and their respective directors, officers, employees and agents (the "**MTI Indemnitees**") from and against all Liabilities resulting from all Claims to the extent such Claims are incurred, relate to or arise out of (a) the breach or non-fulfillment of this Agreement by Licensee, (b) the negligence, recklessness or willful misconduct of Licensee in connection with the performance of its obligations hereunder, (c) violation of Applicable Law by Licensee in connection with the performance of its obligations hereunder, or (d) the Development, Manufacture or Commercialization of Licensed Products by Licensee, its Affiliates or Sublicensees, including any failure to test for or provide adequate warnings of adverse side effects, or any manufacturing defect in any Licensed Product, except, (x) in each case ((a), (b), (c) or (d)), to the extent such Liabilities resulted from any action for which MTI must indemnify Licensee under Section 14.1.1 and (y) without limitation of the foregoing clause (x), in the case of clause (d), to the extent such Liabilities resulted from any act or omission by an MTI Indemnitee or the infringement or misappropriation of Patent Rights or other intellectual Property rights of any Third Party to the extent arising out of the incorporation of the MTI Linker Technology, any Cytotoxic Compound or any other MTI Technology contained or incorporated in, or used to Exploit, any Licensed Product.

14.2 **Procedure**.

14.2.1 A Party (the "**Indemnitee**") that intends to claim indemnification under this 14.2 shall promptly provide notice to the other Party (the "**Indemnitor**") of any Claim in respect of which the Indemnitee intends to claim such indemnification, which notice shall include a reasonable identification of the alleged facts giving rise to such Liability, and the Indemnitor shall have the right to participate in, and, to the extent the Indemnitor so desires, jointly with any other Indemnitor similarly noticed, to control the defense thereof with counsel selected by the Indemnitor. However, notwithstanding the foregoing, the Indemnitee shall have the right to participate in, but not control, the defense of any Claim, and request separate counsel, with the fees and expenses to be paid by

the Indemnitee, unless (a) representation of such Indemnitee by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between such Indemnitee and any other Party represented by such counsel in such proceedings or (b) the Indemnitor has failed to assume the defense of the

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applicable Claim, in which case ((a) or (b)), such fees and expenses shall be paid by the Indemnitor. The Indemnitee shall, and shall cause each of its Affiliates and its and their respective directors, officers, employees and agents, as applicable, to, cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, provide such witnesses and attend such conferences, discovery proceedings, hearings, trials and appeals and otherwise providing reasonable access to such indemnitees and other employees and agents of the Indemnitee, in each case as may be reasonably requested in connection therewith; provided, that the Indemnitor shall reimburse the Indemnitee for its reasonable and verifiable out-of-pocket expenses in connection therewith. The Indemnitor may not settle any Claim, and the Indemnitee shall not be responsible for or be bound by any settlement of a Claim that imposes an obligation on it, without the prior written consent of the Indemnitee, which consent shall not be unreasonably withheld, conditioned or delayed. The Indemnitee may not settle any Claim without the prior written consent of the Indemnitor, which consent shall not be unreasonably withheld, conditioned or delayed.

14.2.2 The assumption of the defense of a Claim by the Indemnitor shall not be construed as an acknowledgment that the Indemnitor is liable to indemnify the Indemnitee in respect of the Claim, nor shall it constitute a waiver by the Indemnitor of any defenses it may assert against the Indemnitee's claim for indemnification. In the event that it is ultimately determined that the Indemnitor is not obligated to indemnify, defend or hold harmless the Indemnitee from and against the Claim, the Indemnitee shall reimburse the Indemnitor for any and all costs and expenses (including attorneys' fees and costs of suit) and any Liabilities incurred by the Indemnitor in its defense of the Claim.

14.3 Limitation of Liability. EXCEPT (A) IN THE EVENT OF THE WILLFUL MISCONDUCT OR FRAUD OF A PARTY OR A PARTY'S BREACH OF ITS OBLIGATIONS UNDER ARTICLE 9 OR SECTION 2.4.7 OR 3.2.4, (B) AS PROVIDED UNDER SECTION 19.9 AND (C) TO THE EXTENT ANY SUCH DAMAGES ARE REQUIRED TO BE PAID TO A THIRD PARTY AS PART OF A CLAIM FOR WHICH A PARTY PROVIDES INDEMNIFICATION UNDER THIS ARTICLE 14, NEITHER PARTY NOR ANY OF ITS AFFILIATES OR SUBLICENSEES SHALL BE LIABLE IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY DUTY OR OTHERWISE FOR ANY SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR LOST PROFITS SUFFERED BY THE OTHER PARTY AND REGARDLESS OF ANY PRIOR NOTICE OF SUCH DAMAGES.

ARTICLE 15 - FORCE MAJEURE

No Party (or any of its Affiliates) shall be held liable or responsible to the other Party (or any of its Affiliates) hereunder, or be deemed to have defaulted under or breached this Agreement, for failure or delay by such Party in fulfilling or performing any term of this Agreement when such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party (or any of its Affiliates), including fire, floods, embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, acts of God, earthquakes, or omissions or delays in acting by any Governmental Authority (each, an "**Event of Force Majeure**"); provided, that the affected Party shall exert all reasonable efforts to eliminate, cure or overcome any such Event of Force Majeure and to resume performance of its

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obligations promptly. Notwithstanding the foregoing, to the extent that an Event of Force Majeure continues for a period in excess of [***] months, the affected Party shall promptly notify in writing the other Party of such Event of Force Majeure and within [***] months of the other Party's receipt of such notice, the Parties shall negotiate in good faith either (a) a resolution of the Event of Force Majeure, if possible, (b) an extension by mutual agreement of the time period to resolve, eliminate, cure or overcome such Event of Force Majeure, (c) an amendment of this Agreement to the extent reasonably possible, or (d) an early termination of this Agreement.

ARTICLE 16 - ASSIGNMENT

This Agreement may not be assigned or otherwise transferred, nor, except as expressly provided hereunder, may any right or obligations hereunder be assigned or transferred to any Third Party by either Party without the consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed; provided, that either Party may, without such consent but with notification and subject to the terms and conditions of this Article 16, assign this Agreement and its rights and obligations hereunder to any of its Affiliates or (a) in the case of MTI, in connection with a Change in Control of MTI or (b) in the case of Licensee, to any successor in interest (whether by merger, acquisition, asset purchase or otherwise) to all or substantially all of the business to which this Agreement relates. Any permitted assignee shall assume all rights and obligations of its assignor under this Agreement; provided, that (x) an acquirer of a Party in connection with a Change in Control of such Party shall be obligated to maintain at least the same level of diligence in performing its obligations under the Agreement, including its obligations under the Research Plan after the Change in Control of such Party, as had been applied prior to the applicable transaction, unless otherwise agreed to in writing by the Parties, (y) in the event of a Change in Control of MTI, (i) [***], (ii) [***], (iii) [***], and (iv) [***] as provided therein. Any attempted assignment of this Agreement not in accordance with this Article 16 shall be void and of no effect.

ARTICLE 17 - SEVERABILITY

Each Party hereby agrees that it does not intend to violate any public policy, statutory or common laws, rules, regulations, treaty or decision of any government agency or executive body thereof of any country or community or association of countries. Should one or more provisions of this Agreement be or become invalid, the Parties hereto shall substitute, by mutual consent, valid provisions for such invalid provisions, that in their economic effect, are sufficiently

similar to the invalid provisions that it can be reasonably assumed that the Parties would have entered into this Agreement based on such valid provisions. In case such alternative provisions cannot be agreed upon, the invalidity of one or several provisions of this Agreement shall not affect the validity of this Agreement as a whole, unless the invalid provisions are of such essential importance to this Agreement that it is to be reasonably assumed that the Parties would not have entered into this Agreement without the invalid provisions.

ARTICLE 18 - INSURANCE

During the Term, each Party shall maintain on an ongoing basis comprehensive general liability insurance in the minimum amount of [***] per occurrence and [***] annual aggregate

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combined single limit for bodily injury and property damage liability and any other insurance required by Applicable Law. Commencing not later than [***] days prior to the first use in humans of a Licensed Product, each Party shall obtain and maintain on an ongoing basis insurance in the following coverage amounts per occurrence and as an annual aggregate combined single limit for bodily injury: (a) [***] for Clinical Trials and (b) [***] for Commercialization of Licensed Products. All of such insurance coverage may be maintained through a self-insurance plan that substantially complies with the foregoing limits and requirements. Thereafter, each Party shall maintain such insurance coverage without interruption during the Term. Each Party shall provide the other Party at least [***] days' prior written notice of any cancellation to or material change in its insurance coverage below the amounts and types described above.

ARTICLE 19 - MISCELLANEOUS

19.1 Notices. Any consent, notice or report required or permitted to be given or made under this Agreement by one of the Parties hereto to the other shall be in writing, delivered personally or by facsimile (and promptly confirmed by personal delivery, first class air mail or courier), first class air mail or courier, postage prepaid (where applicable), addressed to such other Party at its address indicated below, or to such other address as the addressee shall have last furnished in writing to the address or in accordance with this Section 19.1 and (except as otherwise provided in this Agreement) shall be effective upon receipt by the addressee. This Section 19.1 is not intended to govern the day-to-day business communications necessary between the Parties in performing their obligations under the terms of this Agreement.

If to MTI:

Mersana Therapeutics, Inc.
840 Memorial Drive
Cambridge, MA 02139
Attention: Legal Department
Telephone: (617) 498-0020
Fax: (617) 498-0109

With a copy to:

Ropes & Gray LLP
800 Boylston Street
Boston, MA 02199
Attention: Marc Rubenstein
Telephone: (617) 951-7000
Fax: (617) 235-0706

If to Licensee:

Millennium Pharmaceuticals, Inc.
40 Landsdowne Street
Cambridge, MA 02139

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Attention: Legal Department
Telephone: (617) 679-7000
Fax: (617) 374-0074

With a copy to:

WilmerHale LLP
60 State Street
Boston, MA 02109

Fax: (617) 526-5000
Attention: Steven D. Singer, Esq.

19.2 **Applicable Law; Jurisdiction**. The Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without regard to the conflict of law principles thereof that may dictate application of the laws of any other jurisdiction. Subject to Section 19.3, the Parties hereby irrevocably and unconditionally consent to the exclusive jurisdiction of the courts of the Commonwealth of Massachusetts for any action, suit or proceeding (other than appeals therefrom) arising out of or relating to the Agreement and agree not to commence any action, suit or proceeding (other than appeals therefrom) related thereto except in such courts.

19.3 **Dispute Resolution**. The Parties agree that if any dispute or disagreement arises between Licensee and MTI in respect of this Agreement, subject to Section 19.9, they shall follow the following procedure in an attempt to resolve the dispute or disagreement.

19.3.1 The Party claiming that such a dispute exists shall give notice in writing ("**Notice of Dispute**") to the other Party of the nature of the dispute.

19.3.2 Within [***] Business Days following receipt of a Notice of Dispute, a nominee or nominees of Licensee and a nominee or nominees of MTI shall meet in person at a mutually agreed upon time and location and exchange written summaries reflecting, in reasonable detail, the nature and extent of the dispute, and at this meeting they shall use their reasonable endeavors to resolve the dispute.

19.3.3 If, within a further period of [***] Business Days, the dispute has not been resolved, the [***] of MTI and the [***] of Licensee shall meet at a mutually agreed upon time and location for the purpose of resolving such dispute.

19.3.4 In the event of a dispute between the Parties requiring resolution by a [***] ("**[***]**") as set forth in Section 2.4.3, 7.5.1(f), 7.5.2(g), 7.6.1 or 11.3, such dispute shall be resolved in accordance with this Section 19.3.4. Notice from a Party initiating resolution by the [***] shall contain a statement of the issue forming the basis of the dispute, the position of the moving Party as to the proper resolution of that issue and the basis for such position. Within [***] Business Days after receipt of such notice, the responding Party shall submit to the moving Party a statement of its conception of the specific issue in question, its position as to the proper resolution of that issue and the basis for such position.

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(a) Within [***] Business Days of the responding Party's response, each Party shall appoint to the [***] an individual who (i) [***], (ii) [***] (iii) has no known personal financial interest or benefit in the outcome or resolution of the dispute, and the appointing Party shall give the other Party written notice of such appointment; provided, that for such appointment to be effective and for such individual to serve on the [***], such individual must deliver to the other Party a certificate confirming that such individual satisfies the criteria set forth in clauses (i) through (iii) above, disclosing any potential conflict or bias and certifying that, as a member of the [***], such individual is able to render an independent decision. Within [***] Business Days of the appointment of the second [***], the two (2)-appointed [***] shall agree on an additional [***] who meets the same criteria as described above, and shall appoint such [***] as chair of the [***]. If the Party-appointed [***] fail to timely agree on a third [***], then upon the written request of either Party, each Party-appointed [***] shall, within [***] Business Days of such request, nominate one [***] candidate and the CPR Institute for Dispute Resolution shall, within [***] Business Days of receiving the names of the Parties' respective nominees, select one of those [***] to serve as the chair of the [***]. Each [***] shall agree, prior to his or her appointment, to render a decision as soon as practicable after the appointment of the full [***].

(b) Within [***] Business Days of the appointment of the third [***], the [***] shall hold a preliminary meeting or teleconference with the Parties or their representatives and shall designate a time and place for a hearing of the Parties on the dispute and the procedures to be utilized at the hearing. The Parties may agree in writing to waive the hearing and have the [***] reach a decision on the basis of written submissions alone. The [***] may order the Parties to produce any documents or information that are relevant to the dispute. All such documents or information shall be provided to the other Party and the [***] as expeditiously as possible but no later than [***] prior to the hearing (if any), along with the names of all witnesses who will testify at the hearing and a brief summary of their testimony. The hearing shall be held in Boston, MA, unless otherwise agreed by the Parties, and shall take place as soon as possible but no more than [***] days after the appointment of the third [***], unless the Parties otherwise agree in writing or the [***] agrees to extend such time period for good cause shown. The hearing shall last no more than [***], unless otherwise agreed by the Parties or the [***] agrees to extend such time period for good cause shown. After the conclusion of all testimony (or if no hearing is held after all submissions have been received from the Parties), at a time designated by the [***] no later than [***] days after the close of the hearing or the receipt of all submissions, each Party shall simultaneously submit to the [***] and exchange with the other Party its final proposed resolution.

(c) In rendering the final decision (which shall be rendered no later than [***] days after receipt by the [***] of the Parties' respective proposed resolutions), the [***] shall be limited to choosing a resolution proposed by a Party without modification; provided, that in no event shall the [***] render a decision that is inconsistent with the Parties' intentions as set forth in this Agreement. The agreement of [***]

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[***] shall be sufficient to render a decision and the Parties shall abide by such decision. The decision of the [***] shall be final and binding on the Parties and may be entered and enforced in any court having jurisdiction. The Parties shall share equally the costs of the [***].

19.3.5 Subject to Section 19.3.7, in the event of an unresolved dispute between the Parties, other than as set forth in Section 19.3.4, such dispute shall, at either Party's election and subject to Section 19.2, be submitted for resolution by a court of competent jurisdiction.

19.3.6 In the event of a dispute regarding any payments owing under this Agreement, all undisputed amounts shall be paid promptly when due and the balance, if any, promptly after resolution of the dispute.

19.3.7 Notwithstanding the foregoing, any disputes relating to inventorship or the validity, enforceability or scope of any patent or trademark rights shall, subject to Section 19.2, be submitted for resolution by a court of competent jurisdiction.

19.4 **Entire Agreement**. This Agreement contains the entire understanding of the Parties with respect to the specific subject matter hereof. All express or implied agreements and understandings, either oral or written, heretofore made are expressly superseded by this Agreement, including the Original Agreement, as amended by the First Amendment and the Second Amendment, which is superseded as of the Amendment Effective Date, and (a) the Confidential Disclosure Agreement between the Parties dated September 9, 2013, (b) the Confidential Disclosure Agreement between the Parties dated March 17, 2014, and (c) the Confidentiality Agreement between the Parties dated June 25, 2014. The Parties acknowledge and agree that confidential information defined in and subject to such confidentiality agreements shall be deemed to be Confidential Information hereunder and subject to Article 9. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by both Parties hereto.

19.5 **Independent Contractors**. MTI and Licensee each acknowledge that they shall be independent contractors and that the relationship between the two Parties shall not constitute a partnership, joint venture, agency or any type of fiduciary relationship. Neither MTI nor Licensee shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other Party, without the prior consent of the other Party to do so.

19.6 **Waiver and Non-Exclusion of Remedies**. The waiver by either Party hereto of any right hereunder or the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by Applicable Law or otherwise available, except as expressly set forth herein.

19.7 **Further Assurances**. Each Party shall execute such additional documents as are necessary to effect the purposes of this Agreement.

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19.8 **No Benefit to Third Parties**. Except as provided in Article 14, the covenants and agreements set forth in this Agreement are for the sole benefit of the Parties hereto and their successors and permitted assigns and they shall not be construed as conferring any rights on any other parties.

19.9 **Equitable Relief**. Each Party acknowledges and agrees that the restrictions set forth in Sections 2.4.2(c), 2.4.7, 3.2.4 and 10.3.3(b) and Article 9, Article 10 and Article 11 are reasonable and necessary to protect the legitimate interests of the other Party and that such other Party would not have entered into this Agreement in the absence of such restrictions and that any breach or threatened breach of any provision of such Sections or Articles may result in irreparable injury to such other Party for which there will be no adequate remedy at law. In the event of a breach or threatened breach of any provision of such Sections or Articles, the non-breaching Party shall be authorized and entitled to seek from any court of competent jurisdiction injunctive relief, whether preliminary or permanent, specific performance and an equitable accounting of all earnings, profits and other benefits arising from such breach, which rights shall be cumulative and in addition to any other rights or remedies to which such non-breaching Party may be entitled in law or equity. Both Parties agree to waive any requirement that the other (a) post a bond or other security as a condition for obtaining any such relief and (b) show irreparable harm, balancing of harms, consideration of the public interest or inadequacy of monetary damages as a remedy. Nothing in this Section 19.9 is intended or should be construed to limit either Party's right to equitable relief or any other remedy for a breach of any other provision of this Agreement.

19.10 **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. Counterparts may be signed or delivered by facsimile or electronically scanned signature page.

(*The remainder of this page has been intentionally left blank. The signature page follows.*)

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Amendment Effective Date.

MERSANA THERAPEUTICS, INC.

By: /s/ Anna Protopapas

Name: Anna Protopapas

Title: President & CEO

MILLENNIUM PHARMACEUTICALS, INC.

By: /s/ Christophe Bianchi

Name: Christophe Bianchi

Title: President

Signature Page to Amended and Restated Research Collaboration and Commercial License Agreement

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SCHEDULE A

RESEARCH PLANS

SCHEDULE A.1.A: RESEARCH PLAN FOR DESIGNATED TARGET [***] **AS OF ORIGINAL EFFECTIVE DATE**

CONFIDENTIAL AND PROPRIETARY

Licensee's proprietary Antibody against the [***] Designated Target [***] will be conjugated using MTI's [***] to create ADC's (such ADC's may be referred to herein as [***] containing ADCs, respectively). Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Agreement.

Pursuant to this Research Plan MTI and Licensee will perform research, analysis and evaluation activities on ADCs through completion of [***] which consist of the following:

[***]

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CONFIDENTIAL AND PROPRIETARY

SCHEDULE A.1.B: RESEARCH PLAN FOR DESIGNATED TARGET [***] **AS OF FIRST AMENDMENT EFFECTIVE DATE**

Licensee's proprietary Antibody against the Designated Target [***] will be conjugated using MTI's [***] to create ADCs (such ADCs may be referred to herein as [***] containing ADCs, respectively). Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Agreement. Notwithstanding the Option exercise, for purposes of this Research Plan, the Target is referred to as the Designated Target [***].

The Revised and Restated Research Plan (hereinafter the "Research Plan") consists of the following:

[***]

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SCHEDULE A.1.C: RESEARCH PLAN FOR DESIGNATED TARGET [***]**AS OF THE AMENDMENT EFFECTIVE DATE**

CONFIDENTIAL AND PROPRIETARY

Licensee's proprietary Antibody (which, for clarity is different from the Antibody provided under the First Research Plan and Second Research Plan for the [***] Designated Target [***]) [***] will be conjugated using MTI's [***] to create ADC's (such ADC's may be referred to herein as [***] containing ADCs, respectively). Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Agreement.

The Third Research Plan consists of the following:

[***]

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SCHEDULE A.2: RESEARCH PLAN FOR DESIGNATED TARGET [***] AS OF DECEMBER 5, 2014

CONFIDENTIAL AND PROPRIETARY

Licensee's proprietary Antibody against the [***] Designated Target [***] will be conjugated using MTI's [***] to create ADC's (such ADC's may be referred to herein as [***] containing ADCs, respectively). Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Agreement.

The Research Plan consists of the following:

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SCHEDULE A.3: RESEARCH PLAN FOR DESIGNATED TARGET [***] AS OF MARCH 5, 2015

CONFIDENTIAL AND PROPRIETARY

Licensee's proprietary Antibody against the [***] Designated Target [***] will be conjugated using MTI's [***] to create ADC's (such ADC's may be referred to herein as [***] containing ADCs, respectively). Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Agreement.

The Research Plan consists of the following:

[***]

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SCHEDULE B (I)

MTI IN-LICENSED PATENT RIGHTS

Title	Inventors	Assignee	Patent No.	Serial No	Priority	Filing or 371(c) Date	Issue Date	Status
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
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SCHEDULE B (II)

MTI OWNED PATENT RIGHTS

Title	Inventors	Patent No	Serial No	Priority	Filing Date	Issue Date	Status
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SCHEDULE C

MTI IN-LICENSES

· Second Restated and Amended License Agreement between MTI and The General Hospital Corporation dated October 19, 2005, as amended on July 27, 2012, and on September 19, 2012.

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SCHEDULE D

PRESS RELEASES

SCHEDULE D.1: PREVIOUS PRESS RELEASES

Mersana Therapeutics Enters Collaboration with Takeda to Develop Next-Generation Antibody-Drug Conjugates

CAMBRIDGE, Mass., April 07, 2014 — Mersana Therapeutics, Inc. announced today that it has entered into a collaboration agreement with Millennium Pharmaceuticals, Inc., a wholly-owned subsidiary of Takeda Pharmaceutical Company Limited (TSE:4502) to develop next-generation, Fleximer® antibody-drug conjugates (ADCs). Mersana's proprietary conjugation technology is comprised of the company's biodegradable Fleximer polymer and a broad array of customizable linker chemistries matched to Mersana's diverse, cytotoxic payloads.

Under the agreement, Takeda will provide an upfront payment to Mersana for the right to utilize Fleximer technology to develop novel ADC candidates. Mersana is responsible for conducting research and creating ADCs that are conjugates of Takeda's antibodies and Mersana's diverse payload platforms, which combines a cytotoxic payload with the Fleximer polymer and custom linkers. In addition to providing antibodies, Takeda is responsible for product development, manufacturing and commercialization of any Fleximer-ADC products. In addition to an upfront payment, Mersana is eligible to receive milestones and royalties on worldwide net sales of any resulting ADC products.

"Collaboration is key to Takeda's business model and is at the root of our success in leading innovation in medicine. Mersana's unique approach to ADCs allows a wide variety of antibody and payload combinations to be investigated," said Christopher Claiborne, Ph.D., Head of the Oncology Drug Discovery Unit at Takeda. "We believe that working with Mersana and investigating Fleximer-ADCs in oncology, one of Takeda's core therapeutic areas, will strengthen our leadership and experience in developing and bringing innovative ADC therapeutics to patients worldwide."

"Mersana has a pattern of successful collaborations with industry leaders, in which we have quickly advanced several Fleximer-ADC candidates through research and preclinical development," said Eva M. Jack, Mersana's Chief Business Officer. "Mersana's proprietary Fleximer technology offers a new and highly differentiated approach to creating ADC therapeutics, and we look forward to working with Takeda to develop novel Fleximer-ADC candidates."

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About Fleximer® Antibody-Drug Conjugate Technology

Mersana's next-generation Fleximer® antibody-drug conjugate (ADC) technology is based on the Company's proprietary biodegradable polymer system, known as Fleximer®, and a wide variety of linkers that allow for the attachment of an extensive range of anti-tumor payloads to Fleximer. As an example, once loaded with the drug(s), Fleximer is then attached, through a stable linker that is different from the drug linker(s), to an antibody or antibody alternative to create a Fleximer-ADC. Mersana's novel linker systems are designed to be stable in the blood stream and release the cytotoxic payloads once inside the targeted cancer cell. Mersana's Fleximer-ADC technology provides several key advantages over currently available approaches, including: ability to deliver diverse payloads; opportunity to significantly increase drug loading per antibody; potential use with antibody fragments and alternative targeting moieties in addition to monoclonal antibodies and to optimize the size of the drug conjugate to efficiently perfuse solid tumors while retaining a long half-life associated with antibody-based ADCs.

About Mersana Therapeutics

Mersana Therapeutics engineers novel drug conjugates that maximize the potential of new and established therapeutic classes. Mersana is developing, with select pharmaceutical partners, a portfolio of next-generation Fleximer® antibody-drug conjugates (ADC) with superior properties not found with current ADC technologies. The company is also advancing its own pipeline of Fleximer-ADCs with best-in-class potential to address unmet needs and improve patient outcomes in multiple oncology indications. www.mersana.com

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Mersana and Takeda Enter Commercial License Agreement for Novel Fleximer® Antibody-Drug Conjugate

CAMBRIDGE, Mass., October 27, 2014 — Mersana Therapeutics, Inc., announced today that Millennium Pharmaceuticals, Inc., a wholly-owned subsidiary of Takeda Pharmaceutical Company Limited (TSE:4502), has exercised an option to license commercial rights for its first novel Fleximer® antibody-drug conjugate (ADC) developed under their collaboration announced earlier this year. Over the past seven months, Mersana and Takeda have been conducting pre-clinical proof-of-concept studies for several Fleximer-ADCs against an undisclosed oncology target under a research license to Mersana's Fleximer-ADC technology. With the exercise of the commercial license Mersana will receive a license fee and is eligible for development and regulatory milestone payments and royalties on net sales.

"Our productivity and Takeda's license for the Fleximer-ADC's commercial rights speak to our Fleximer polymer and proprietary conjugation technology providing an optimal platform for the development of next-generation ADCs," said Timothy B. Lowinger, Ph.D., Chief Scientific Officer of Mersana. "Not only is Mersana delivering unique, highly differentiated Fleximer-ADCs to our industry-leading partners, but we are actively developing an internal pipeline with superior antibodies conjugated to our payload platforms, as well."

"The collaboration with Mersana has progressed rapidly and has proven beneficial for our discovery research efforts," said Christopher Claiborne, Ph.D., Head of the Oncology Drug Discovery Unit at Takeda. "We have been impressed with the results generated through use of the Fleximer platform, and we are looking forward to the continued success of this collaboration."

Under the April 2014 agreement, Takeda provided an upfront payment to Mersana for the right to utilize Fleximer technology to develop novel ADC candidates for indications in oncology. Mersana is currently conducting research and creating ADCs that are conjugates of Takeda's antibodies and Mersana's diverse payload platforms, which combine a cytotoxic payload with the Fleximer polymer and custom linkers. In addition to providing antibodies, Takeda is responsible for product development, manufacturing and commercialization of any Fleximer-ADC products. In addition to an upfront payment, Mersana is eligible to receive milestones and royalties on worldwide net sales of any resulting ADC products.

About Fleximer® Antibody-Drug Conjugate Technology

Mersana's next-generation Fleximer® antibody-drug conjugate (ADC) technology is based on the company's proprietary biodegradable polymer system, known as Fleximer, and a wide variety of linkers that allow for the attachment of an extensive range of anti-tumor payloads to Fleximer. As an example, once loaded with drug(s), Fleximer is then attached through a stable linker that is different from the drug linker(s) to the antibody or antibody alternative to create a

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Fleximer-ADC. Mersana's novel linker systems are designed to be stable in the bloodstream and to release the drug payloads once inside the targeted cell. Mersana's Fleximer-ADC technology provides several key advantages over currently available approaches, including: the ability to deliver diverse payloads; the opportunity to significantly increase drug loading per antibody; significantly improved physicochemical properties and facile manufacturing. Mersana's proprietary polymer payload platforms include Dolaflexin™, an auristatin-polymer conjugate; Vindeflexin™, a vindesine-polymer conjugate; and Cytoflexin™, a tubulysin-polymer conjugate.

About Mersana Therapeutics

Mersana Therapeutics engineers antibody-drug conjugates (ADCs) that maximize the potential of new and established therapeutic classes. Mersana is developing, with select pharmaceutical partners, a portfolio of next-generation Fleximer® ADCs with superior properties not found with current ADC technologies. The company is also advancing its own pipeline of Fleximer-ADCs with best-in-class potential to address unmet needs and improve patient outcomes in multiple oncology indications.

Media Contacts

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Mersana Therapeutics and Takeda Expand Antibody-Drug Conjugate Partnership

CAMBRIDGE, Mass., January 12, 2015 — Mersana Therapeutics, Inc. announced today that they have expanded their ongoing collaboration with Takeda Pharmaceutical Company Limited (TSE:4502) to create novel Fleximer® antibody-drug conjugate (ADC) drug candidates to include additional oncology-relevant targets. Mersana is eligible to receive additional upfront and milestone payments potentially totaling over $300 million under the expanded collaboration subject to future success of the programs. The partners' collaboration was announced in April 2014, and since then, Mersana and Takeda have been conducting pre-clinical, proof-of-concept studies for several Fleximer-ADCs against an undisclosed oncology target under a research license to Mersana's Fleximer-ADC technology. Takeda has already exercised an option to license commercial rights for the first drug candidate developed under this collaboration, which was announced in October 2014.

"The expansion of our collaboration with Mersana is a testament to the importance of partnership in innovating new treatments for cancer," said Christopher Claiborne, Ph.D., Head of the Oncology Drug Discovery Unit at Takeda. "Now encompassing multiple therapeutic targets and potential drug candidates, we look forward to further advancing the next-generation of ADCs under our expanded collaboration with Mersana with the goal of bringing new therapies to patients around the world."

"We are delighted to expand our relationship with Takeda and are excited about the prospects of Fleximer-ADC candidates that have progressed well into preclinical development," said Eva M. Jack, Chief Business Officer of Mersana Therapeutics. "Our highly productive strategic partnership with Takeda affords us the ability to advance potential new medicines with superior properties closer to the clinic, as well as enhance our Fleximer platform."

Takeda signed an agreement with Mersana through its wholly owned subsidiary, Millennium Pharmaceuticals, Inc. Under that agreement, Takeda provided an upfront payment to Mersana for the right to utilize Fleximer technology to develop novel ADC candidates for indications in oncology. Mersana is currently conducting research and creating ADCs that are conjugates of Takeda's antibodies and Mersana's diverse payload platforms, which combine a cytotoxic payload with the Fleximer polymer and custom linkers. In addition to providing antibodies, Takeda is responsible for product development, manufacturing and commercialization of any Fleximer-ADC products. Mersana remains eligible to receive milestone payments and royalties on worldwide net sales of any resulting ADC products. When Takeda exercised its option for commercial rights to the first ADC product, Mersana received a license fee.

About Fleximer® Antibody-Drug Conjugate Technology

Mersana's next-generation Fleximer® antibody-drug conjugate (ADC) technology is based on the company's proprietary biodegradable polymer system, known as Fleximer, and a wide variety of linkers that allow for the attachment of an extensive range of anti-tumor payloads to

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Fleximer. As an example, once loaded with drug(s), Fleximer is then attached through a stable linker that is different from the drug linker(s) to the antibody or antibody alternative to create a Fleximer-ADC. Mersana's novel linker systems are designed to be stable in the bloodstream and to release the drug payloads once inside the targeted cell. Mersana's Fleximer-ADC technology provides several key advantages over currently available approaches, including: the ability to deliver diverse payloads; the opportunity to significantly increase drug loading per antibody; significantly improved physicochemical properties and facile manufacturing. Mersana's proprietary polymer payload platforms include Dolaflexin™, an auristatin-polymer conjugate; Vindeflexin™, a vindesine-polymer conjugate; and Cytoflexin™, a tubulysin-polymer conjugate.

About Mersana Therapeutics

Mersana Therapeutics engineers antibody-drug conjugates (ADCs) that maximize the potential of new and established therapeutic classes. Mersana is developing, with select pharmaceutical partners, a portfolio of next-generation Fleximer® ADCs with superior properties not found with current ADC technologies. The company is also advancing its own pipeline of Fleximer-ADCs with best-in-class potential to address unmet needs and improve patient outcomes in multiple oncology indications.

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SCHEDULE D.2: JOINT PRESS RELEASE

Mersana Therapeutics and Takeda Expand Partnership to Advance Development of Fleximer® Antibody-Drug Conjugates and XMT-1522

— Takeda obtains rights to Mersana's XMT-1522 outside U.S. and Canada —
— Takeda to create additional Fleximer ADCs; Mersana to have a co-development option —
— Mersana to receive $40 million upfront, $20 million upon IND clearance and up to $20 million in equity investment —

Cambridge, Mass. and Osaka, Japan, February 3, 2016 — Mersana Therapeutics and Takeda Pharmaceutical Company Limited (TSE:4502) today announced that they have entered a new strategic partnership granting Takeda rights to Mersana's lead product candidate, XMT-1522, outside the United States and Canada. The deal also expands an existing collaboration between the companies to provide Takeda with additional access to Mersana's Fleximer® antibody-drug conjugate (ADC) platform and grants Mersana an option at the end of Phase 1 to co-develop and co-commercialize one of these programs in the United States. In addition, the companies will co-develop new payloads for use with ADCs.

XMT-1522 is an investigational, Fleximer-based ADC therapy that targets HER2-expressing tumors, including breast, gastric and non-small cell lung cancers. Preclinical data suggest that XMT-1522 may have anti-tumor activity in patients with HER2 low-expressing cancers as well as in patients with HER2 high-expressing cancers that do not respond to currently available HER2-targeting therapies. Mersana anticipates filing an Investigational New Drug application (IND) for XMT-1522 with the U.S. Food and Drug Administration (FDA) in mid-2016.

"We believe XMT-1522 has the potential to make a dramatic difference for HER2 low-expressing patients who currently have limited treatment options, and are confident that our Fleximer-based technology can address significant patient needs not currently met by other ADC

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platform technologies," said Anna Protopapas, President and Chief Executive Officer, Mersana. "Takeda's knowledge of oncology and commitment to ADCs as a key therapeutic approach make the company the best partner for us to progress our transformative platform and advance XMT-1522 into the clinic."

Takeda and Mersana will co-develop XMT-1522, and Mersana will lead execution of the Phase 1 trial. Mersana will retain full commercial rights in the United States and Canada while Takeda will have rights in rest of world. Beyond development and commercialization of XMT-1522, the expanded partnership also grants Takeda access to additional targets within Mersana's Fleximer-based ADC platform, with Mersana retaining the right to select one program at the end of Phase 1 for co-development and co-commercialization in the United States. Takeda and Mersana will also work together, leveraging Takeda's proprietary small molecule libraries, to identify and develop novel payloads that both parties will be able to use in new ADC therapies.

"This is our third collaboration with Mersana in less than two years. We see great potential for Mersana's Fleximer technology, combined with our oncology expertise and resources, to extend the benefits of targeted therapy with ADCs to underserved cancer patient populations," said Andrew Plump M.D., Ph.D., Chief Medical and Scientific Officer, Takeda. "We, along with the global oncology community, have made great strides in our fight against cancer, and we know that achieving our aspiration to cure cancer relies on great partnerships and innovation. We look forward to progressing these collaborations and, together, advancing the science of cancer care."

Takeda signed agreements with Mersana through its wholly owned subsidiary, Millennium Pharmaceuticals, Inc., under which, Mersana will receive an upfront payment of $40 million and an additional payment of $20 million upon clearance of the IND for XMT-1522 by the FDA. Subject to the success of the XMT-1522 and ADC programs, Mersana is eligible to receive milestone payments of more than $750 million combined, as well as royalties. Takeda will also invest up to $20 million in equity in future rounds of Mersana financing.

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About XMT-1522

XMT-1522 is an investigational, novel HER2-targeting therapy based on Mersana Therapeutics' Fleximer® immunoconjugate technology, and carries approximately 15 proprietary auristatin payload molecules. Preclinical data have demonstrated significant anti-cancer activity in breast, gastric and non-small cell lung cancers, including in HER2 low-expressing tumor models refractory to currently available therapies. Mersana and Takeda are co-developing XMT-1522. Mersana will be responsible for commercialization in the United States and Canada; Takeda will be responsible in rest of world.

About Mersana Therapeutics

Mersana Therapeutics is advancing a proprietary pipeline of targeted oncology therapeutics leveraging its game-changing Fleximer® immunoconjugate technology. Mersana's first product candidate XMT-1522 has the potential to address significant unmet needs and improve patient outcomes in multiple oncology indications. Fleximer-based immunoconjugate molecules have been shown to have superior efficacy, including with targets previously considered not amenable

to antibody-drug conjugate approaches. Mersana has collaborations utilizing Fleximer technology with Takeda, Merck KGaA, and Asana BioSciences. For more information, please visit www.mersana.com.

About Takeda

Located in Osaka, Japan, Takeda (TSE: 4502) is a research-based global company with its main focus on pharmaceuticals. As the largest pharmaceutical company in Japan and one of the global leaders of the industry, Takeda is committed to strive towards better health for people worldwide through leading innovation in medicine. Additional information about Takeda is available through its corporate website, www.takeda.com.

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SCHEDULE E

CYTOTOXIC COMPOUNDS AND PAYLOADS

Schedule E1: Cytotoxic Compounds

[***]

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Schedule E2: Payloads for Use in Research Plan

[***]

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SCHEDULE F

DESIGNATED TARGET ANTIGENS

[***]

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SCHEDULE G

CO-EXPLOITATION TERMS

All capitalized terms used but not otherwise defined in this Schedule G have the meanings ascribed to them in the body of the Agreement. Unless otherwise indicated, any reference in these Co-Exploitation Terms to a Section is a reference to such Section of the body of the Agreement. In the event of any conflict between the terms in the body of the Agreement and these Co-Exploitation Terms, the terms of these Co-Exploitation Terms shall govern but only with respect to the Development of the Co-Exploited Product for and Commercialization of the Co-Exploited Product in the United States.

1. **Product and Indications**: These Co-Exploitation Terms shall govern the Co-Exploited Product for all Indications in the Field for which such Co-Exploited Product is Developed for Commercialization in the United States. The Parties will focus their joint Development and Commercialization efforts with respect to the Co-Exploited Product on particular Indication(s) as set forth in the Co-Development Plan and Co-Commercialization Plan (as defined below).

2. **Co-Exploitation Territory**: United States

3. **Conduct of Co-Development and Co-Commercialization**: The Parties shall jointly Develop the Co-Exploited Product for and Commercialize the Co-Exploited Product in the United States in accordance with the Co-Development Plan and Co-Commercialization Plan and the terms of this Agreement, including these Co-Exploitation Terms.

4. **Committees and Governance**:

a) Joint Steering Committee: The Parties shall oversee the Parties' Development of the Co-Exploited Product for and Commercialization of the Co-Exploited Product in the United States and attempt to resolve disputes of the Development Committee or the JCC (each as defined below) through a joint steering committee (the "JSC") established by the Parties pursuant to another agreement between the Parties, if any, and mutually agreed to have serve as the JSC hereunder. If a JSC is not in existence under another agreement between the Parties and agreed by the Parties to serve as the JSC hereunder within [***] days after exercise of the Co-Exploitation Option, the Parties shall establish a JSC hereunder, in which event the Parties shall have equal representation on the JSC, and the terms governing meetings, minutes, and reports of the JSC shall be substantially the same as those set forth in Section 2.5.2 with respect to the Joint Research Committee, *mutatis mutandis*. The Licensee JSC representatives shall collectively have one (1) vote and the MTI JSC representatives shall collectively have one (1) vote with respect to matters to be decided by the JSC.

b) Development Committee: Upon exercise of the Co-Exploitation Option, MTI shall have the right to appoint up to [***] representatives to work with Licensee's development committee (the "Development Committee") to monitor the Parties' Development activities under these Co-Exploitation Terms and to review and approve amendments to the Co-Development Plan and to review and approve the Medical Affairs

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Plan, and any amendments thereto. The terms governing meetings, minutes and reports of the Development Committee shall be substantially the same as those set forth in Section 2.5.2 with respect to the Joint Research Committee, *mutatis mutandi.* The Licensee Development Committee representatives shall collectively have one (1) vote and the MTI Development Committee representatives shall collectively have one (1) vote with respect to matters to be decided by the Development Committee. In the event consensus cannot be reached with respect to any matter properly before the Development Committee within a reasonable timeframe, either Party may refer such matter to the JSC for resolution.

c) Joint Commercialization Committee: [***] months before expected launch of the Co-Exploited Product in the United States or at such time mutually agreed upon by the Parties, the Parties shall establish a joint commercialization committee (the "JCC") to review and approve the initial Co-Commercialization Plan and all amendments thereto, to monitor the Parties' Commercialization activities under these Co-Exploitation Terms and to exercise the other rights and responsibilities allocated to it under these Co-Exploitation Terms. MTI shall have up to [***] seats on the JCC. The terms governing meetings, minutes, and reports of the JCC shall be substantially the same as those set forth in Section 2.5.2 with respect to the Joint Research Committee, *mutatis mutandis*. The Licensee JCC representatives shall collectively have one (1) vote and the MTI JCC representatives shall collectively have one (1) vote with respect to matters to be decided by the JCC. In the event consensus cannot be reached with respect to any matter properly before the JCC within a reasonable timeframe, either Party may refer such matter to the JSC for resolution.

d) Decision Making: The JSC, Development Committee and JCC each shall seek to make decisions under these Co-Exploitation Terms by consensus. Except as expressly set forth below in this Schedule G, disputes under these Co-Exploitation Terms shall be resolved as follows: In the event consensus cannot be reached with respect to any matter within the authority of the Development Committee or JCC within a reasonable timeframe, such dispute shall be referred to the JSC for resolution. If the JSC is unable to reach consensus as to any matter before it within [***] days, the [***] of MTI

and the [***] of Licensee, or their designees (which designees shall be [***] of such Party who does not serve on the JSC, Development Committee or JCC) shall meet at a mutually agreed time and location for the purpose of resolving such dispute. If, within a further period of [***] days, the dispute has not been resolved, then [***] shall, after giving good faith due consideration to [***] position, have final decision-making authority with respect to such matter and such decision shall be deemed to be the decision of the applicable committee, except that with respect to decisions of the Development Committee pursuant to Section 7(a) [***] such decisions shall be made by consensus of the Parties (for clarity, following escalation as provided for in this Section 4(d)), unless [***] elects to make such use of data or results and agrees that [***] shall not be responsible for the portion of Shared Development Costs as set forth in the last sentence of Section 7(a), in which case [***] shall have final decision-making authority with respect to such matter.

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5. **Co-Development Plan, Co-Commercialization Plan and Medical Affairs Plan**:

a) Co-Development Plan: The initial plan and budget for joint Development of the Co-Exploited Product shall be the most recent Development Plan provided to MTI as part of the Potential Co-Exploited Product Data Package for the Co-Exploited Product prior to MTI's exercise of the Co-Exploitation Option and any updates thereof (the "Co-Development Plan"). Within [***] days after MTI's exercise of the Co-Exploitation Option, the Development Committee will update the Co-Development Plan to reflect MTI's participation in Development of the Co-Exploited Product. Thereafter, the Development Committee may amend or update the Co-Development Plan from time to time, including making any amendments or updates to any anticipated timelines or to the then-current budget for Shared Development Costs. In the event of a dispute between the Parties regarding whether to implement an amendment to the Co-Development Plan that would provide for the conduct of one or more additional Clinical Trials in the U.S. with respect to the Co-Exploited Product, then Section 4(d) of this Schedule G will apply.

b) Co-Commercialization Plan: At an appropriate time to be agreed by the JCC (but in any event [***] months prior to commercial launch of the applicable Co-Exploited Product in the United States), the JCC shall agree upon the initial joint plan and budget for Commercialization of such Co-Exploited Product for the United States (the "Co-Commercialization Plan"), with the goal that each Party's participation in the Commercialization of Co-Exploited Product for the United States shall, to the extent practicable, be substantially equal on an ongoing basis, provided that a Party shall not be assigned a particular Commercialization activity or responsibility unless it has or reasonably can, in a timely manner, obtain, create, or add the capacity and capability to undertake such activity or responsibility. The Co-Commercialization Plan may be amended or updated from time to time by the JCC, including any amendments or updates to any anticipated timelines or to the then-current budget. The Co-Commercialization Plan shall encompass the planned Commercialization strategy in the United States for the Co-Exploited Product and shall set forth the corresponding budget of Shared Commercialization Costs, anticipated timelines, Commercialization activities to be performed by each Party, commercial supply forecasts, and the other matters described below. The initial Co-Commercialization Plan shall include the budgeted Shared Commercialization Costs for pre-launch Commercialization activities in the United States and for Commercialization activities through at least [***] Calendar [***] after the First Commercial Sale of the Co-Exploited Product in the United States. Thereafter, the Co-Commercialization Plan shall be updated by the JCC on an annual basis. The Co-Commercialization Plan shall contain at a minimum, solely in regards to the United States, the following (unless otherwise mutually agreed by the Parties):

i) wholesale acquisition cost ("WAC") pricing strategy, market research and strategy, including market size, dynamics, growth, customer segmentation, competitive analysis and Co-Exploited Product positioning;

ii) sales forecast for the next [***] Calendar Years;

iii) advertising and promotion programs and strategies, including sales literature, promotional materials, media plans, symposia and speaker programs;

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iv) sales plans and activities, including sales force training, development of appropriate sales training materials, and strategy and budget for samples;

v) post-marketing studies not required to obtain or maintain Regulatory Approvals to be conducted;

vi) the Detail Requirements required to support the Co-Exploited Product, the responsibility for which shall be allocated between the Parties by the JCC in an equitable manner, taking into consideration all reasonable factors;

vii) plan for implementation of periodic joint sales and marketing meetings, including a national launch meeting, for the Co-Exploited Product for the United States;

viii) the Party(ies) that is responsible for each Commercialization activity; provided that, unless otherwise determined by the JCC, the Parties shall jointly plan and participate in, and Licensee shall be solely responsible for administering, activities under the medical education plan with respect to meetings with key opinion leaders, consultancy meetings or programs, conferences, grant disbursements, and medical information services (including responding to physician inquiries); provided that with respect to a second or subsequent Indication for a Licensed Product, the JCC will reasonably consider appointing MTI as the lead Party responsible for such activities; and

c) Medical Affairs Plan: At an appropriate time to be agreed by the Development Committee, the Development Committee shall agree upon the initial joint plan and budget for Medical Affairs activities, including:

(1) medical education plan which shall set forth medical science liaison ("MSL") and medical affairs strategies and activities, including meetings with key opinion leaders, consultancy meetings or programs, non-promotional activities, conferences, budgets and strategies for grant disbursements, medical information services, managing relationships with cooperative groups, and establishing and implementing risk, evaluation and mitigation strategies;

(2) MSL and other medical affairs personnel responsibilities shall be allocated between the Parties by the JCC in an equitable manner, taking into consideration all reasonable factors; and

(3) investigator initiated studies.

6. **Responsibilities of the Parties Generally**: Each Party shall use Commercially Reasonable Efforts to fulfill all responsibilities assigned to it under the Co-Development Plan or the Co-Commercialization Plan and shall comply with these Co-Exploitation Terms and all Applicable Laws. Neither Party shall be required to undertake specific activities with respect to the Development of the Co-Exploited Product for and Commercialization of the Co-Exploited Product in the United States unless such assigned activities are set forth in the Co-Development

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Plan or Co-Commercialization Plan. Each Party may use contract research organizations to conduct its Co-Development activities for the Co-Exploited Product, provided that each such contract research organization has appropriate capabilities to conduct such activities. Any contract research organization that a Party uses to conduct registration-enabling clinical studies must have the ability to satisfy global registration requirements. Each Party's use of contract sales organizations for co-Commercialization of the Co-Exploited Product shall be subject to prior approval of the other Party.

a) Licensee Rights and Responsibilities:

i) Licensee shall undertake the responsibilities allocated to Licensee (A) in the Co-Development Plan under the direction and oversight of the Development Committee and (B) in the Co-Commercialization Plan under the direction and oversight of the JCC.

ii) Unless otherwise mutually agreed by the Parties, subject to Development Committee oversight, (A) Licensee shall be responsible, after reasonable, good faith consultation with MTI with respect to the United States, for preparing and submitting regulatory applications to Regulatory Authorities in order to obtain the Regulatory Approvals with respect to the Co-Exploited Product, and Licensee shall own and maintain all Regulatory Approvals, and (B) Licensee shall be responsible, after reasonable, good faith consultation with MTI with respect to the United States, for communicating and meeting with Regulatory Authorities with respect to the Co-Exploited Product, provided that (x) Licensee shall share with MTI material written communications it receives from Regulatory Authorities in the United States and (y) if MTI so requests, and to the extent permitted by Applicable Law and reasonably practicable given applicable timelines, one (1) representative of MTI shall have the right to be present in any communications and meetings with Regulatory Authorities in the United States.

iii) Licensee shall (A) use an appropriate management infrastructure to supervise the Sales Representatives, and other appropriate functional groups (collectively, "Commercialization Personnel") employed by Licensee and required to oversee performance of Licensee's Commercialization obligations under the Co-Commercialization Plan, including performance of its Detail Requirements, and retain Commercialization Personnel of sufficient number and adequate experience to implement its responsibilities under the Co-Commercialization Plan and (B) use an appropriate management infrastructure to supervise the MSLs, medical affairs personnel and other appropriate functional groups (collectively, "Medical Affairs Personnel") employed by Licensee and required to oversee performance of Licensee's obligations under the Medical Affairs Plan and retain Medical Affairs Personnel of sufficient number and adequate experience to implement its responsibilities under the Medical Affairs Plan.

iv) Licensee shall be responsible for distribution, invoicing and collection with respect to sales of the Co-Exploited Product and shall book such sales (it

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being understood that Licensee shall be solely and exclusively responsible for its own revenue recognition with respect to the Co-Exploited Product, and MTI shall have no responsibility therefor).

v) Licensee shall have the sole right and responsibility to Manufacture all Co-Exploited Product or to contract with Third Parties to Manufacture the Co-Exploited Product for clinical and commercial use. Licensee will reasonably consider in good faith using MTI as a second source supplier with respect to Manufacturing the MTI Linker Technology that is conjugated to Cytotoxic Compound or Payload, as applicable to be included in a Co-Exploited Product.

vi) Licensee shall have the sole right to select (after consulting in good faith with MTI), maintain, enforce and defend the Product Trademarks (excluding any MTI Trademarks) for the Co-Exploited Product and own such Product Trademarks (excluding any MTI Trademarks), including all associated goodwill, as further provided in Section 10.7. For purposes of clarity, MTI shall retain ownership of all right, title and interest in and to the MTI Trademarks, including all associated goodwill.

b) MTI Rights and Responsibilities:

i) MTI shall undertake the responsibilities allocated to MTI (A) in the Co-Development Plan under the direction and oversight of the Development Committee and (B) in the Co-Commercialization Plan under the direction and oversight of the JCC.

ii) MTI shall (A) use an appropriate management infrastructure to supervise the Commercialization Personnel employed by MTI and required to oversee performance of MTI's Commercialization obligations under the Co-Commercialization Plan, including performance of its Detail Requirements, and retain Commercialization Personnel of sufficient number and adequate experience to implement its responsibilities under the Co-Commercialization Plan and (B) use an appropriate management infrastructure to supervise the Medical Affairs Personnel employed by MTI and required to oversee performance of MTI's obligations under the Medical Affairs Plan and retain Medical Affairs Personnel of sufficient number and adequate experience to implement its responsibilities under the Medical Affairs Plan.

iii) All MTI Sales Representatives will have been recruited and trained by MTI, at MTI's sole expense, subject to the remaining provisions of this paragraph. A component of this training includes training on selling skills, which Licensee will provide to the MTI Sales Representatives, if MTI agrees. The MTI Sales Representatives will be trained on the Co-Exploited Product by Licensee and such training will be Commercialization Costs. Such training of the MTI Sales Representatives related to the Co-Exploited Product will be equivalent to training received by the corresponding Licensee Sales Representatives.

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iv) All MTI MSLs will have been recruited and trained by MTI, at MTI's sole expense, subject to the remaining provisions of this paragraph. The MTI MSLs will be trained on the Co-Exploited Product by Licensee and such training will be a Shared Development Cost. Such training of the MTI MSLs related to the Co-Exploited Product will be equivalent to the training received by the corresponding Licensee MSLs.

v) MTI shall work together and coordinate with Licensee with respect to the preparation and submission of regulatory applications, and obtaining and maintaining Regulatory Approvals, in the United States with respect to the Co-Exploited Product; provided that all such applications (except for the application(s) for the [***] Clinical Trial(s) for which MTI is the Controlling Party as described below) and Regulatory Approvals shall be owned by, and in the name of, Licensee.

c) Joint Rights and Responsibilities:

i) The JCC shall have the right and responsibility, subject to the WAC pricing strategy adopted by the Parties in the Co-Commercialization Plan, to determine the price and other terms of sale for the Co-Exploited Product in the U.S. (including discounts, rebates, and the like).

ii) Following Initiation of the first global [***] Clinical Trial of the Co-Exploited Product, the Development Committee shall allocate the operational control of all subsequent global or U.S. [***] Clinical Trials of the Co-Exploited Product, on a [***] Clinical Trial-by-[***] Clinical Trial basis, to one of the parties (the party to which control of such [***] Clinical Trial is allocated, the "Controlling Party"). MTI shall be the Controlling Party for at least [***] Clinical Trial provided that, at such time as such [***] Clinical Trial is included in the Co-Development Plan, MTI possesses or reasonably can, in a timely manner, obtain, create, or add adequate clinical and regulatory infrastructure, expertise and resources to manage such effort effectively. Such [***] Clinical Trial shall be conducted under the oversight of, and strictly in accordance with a protocol approved by, the Development Committee. Licensee shall provide all quantities of Co-Exploited Product for use in such [***] Clinical Trial.

iii) The following terms shall apply with respect to the Controlling Party's exercise of such right:

(1) The Controlling Party shall file the application(s) for such [***] Clinical Trial with the applicable Regulatory Authorities.

(2) The Controlling Party shall be responsible for interfacing, corresponding and meeting with the Regulatory Authorities with regard to such [***] Clinical Trial.

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(3) To the extent permitted by Regulatory Authorities, the Controlling Party shall provide prior written notice to the other Party reasonably in advance of, and the other Party shall have the right to have a designee participate in, meetings with Regulatory Authorities being conducted by the Controlling Party, and the other Party shall have the right to participate in internal meetings or discussions of the Controlling Party (or the applicable portions thereof) occurring before or after, and related to, such meetings, and shall be provided with advance access to the Controlling Party materials prepared for such meetings.

(4) The non-Controlling Party shall have the right to review and comment upon any correspondence with the Regulatory Authorities or their agents with respect to such [***] Clinical Trial.

(5) The Controlling Party shall provide the non-Controlling Party regularly prepared minutes of material meetings with any Regulatory Authority regarding the Co-Exploited Product conducted by the Controlling Party and available material teleconference reports with any Regulatory Authority pertaining to the Co-Exploited Product conducted by the Controlling Party.

(6) The Controlling Party shall make its regulatory personnel that were involved in meetings and correspondence with Regulatory Authorities with respect to such [***] Clinical Trial available to the other Party in connection with the other Party's meetings and correspondence with Regulatory Authorities with respect to the Co-Exploited Product, including those relating to seeking and maintaining Regulatory Approvals in the United States and elsewhere.

7. **Allocation and Reconciliation of Shared Development Costs**:

a) Allocation: Licensee shall bear seventy percent (70%) and MTI shall bear thirty percent (30%) of all Shared Development Costs with respect to the global Development of the Co-Exploited Product, and the Parties shall each bear fifty percent (50%) of all Shared Development Costs with respect to the Development of the Co-Exploited Product specifically for the United States, to be calculated and paid in accordance with the reporting, reconciliation and payment provisions of this Paragraph 7. Notwithstanding the foregoing, Licensee shall bear one hundred percent (100%) of (i) [***] (the "Non-U.S. Development") and (ii) [***] neither of which ((i) and (ii)), for clarity, shall be included in Shared Development Costs unless the Development Committee decides to use the data or results obtained from such Non-U.S. Development, other than safety data as required by Applicable Law, in connection with obtaining or maintaining Regulatory Approval of the Co-Exploited Product in the Co-Exploitation Territory in which case, MTI shall reimburse Licensee for [***] percent [***] of the related Shared Development Costs.

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b) Budget Overruns: With respect to any Shared Development Costs, each Party shall promptly inform the other Party upon determining that it is likely to exceed the budget amounts set forth in the budget of the Co-Development Plan for an activity assigned to it under the Co-Development Plan. To the extent that a Party (or its Affiliates) incurs Shared Development Costs for such activity for a particular Calendar Year which, in the aggregate, exceed the Shared Development Costs allocated for such activity in such Calendar Year in the budget of the Co-Development Plan by [***] percent [***] or less (a "De Minimis Overage Amount"), then such De Minimis Overage Amount shall automatically be included in the budget of the Co-Development Plan for such Calendar Year. However, to the extent that a Party (or its Affiliates) incurs Shared Development Costs for such activity for a particular Calendar Year which, in the aggregate, exceed the Shared Development Costs allocated for such activity in such Calendar Year in the budget of the Co-Development Plan by more than [***] (such excess over [***] percent [***], the "Excess Overage Amount"), the Party that has so exceeded its budget shall provide to the Development Committee a full explanation therefor and such Excess Overage Amount shall only be included in the budget of the Co-Development Plan to the extent that the other Party agrees. By way of example, if a Party incurs Shared Development Costs for an activity which are in excess of the budget of the Co-Development Plan by [***] percent [***], then the first [***] percent [***] thereof will automatically be included in the applicable budget as a De Minimis Overage Amount and the remaining [***] percent [***] will constitute an Excess Overage Amount and shall only be included in the applicable budget to the extent agreed to by the other Party as set forth in this subparagraph. To the extent that the other Party does not agree to treat the Excess Overage Amount as Shared Development Costs, the Party that has exceeded its budget shall be solely responsible for the Excess Overage Amount.

c) Shared Development Cost Reconciliation: Following the exercise of the Co-Exploitation Option, (i) within [***] Business Days following the end of each Calendar Quarter, each Party shall prepare and deliver to the other Party a report detailing the Shared Development Costs incurred by such Party during such Calendar Quarter in accordance with the terms and conditions hereof and in accordance with the applicable Accounting Standard that were actually incurred for the first two months of such Calendar Quarter and an estimate of such costs incurred during the third month of such Calendar Quarter, and (ii) within [***] days following the end of each such Calendar Quarter, each Party shall prepare and deliver to the other Party a report detailing such costs that were actually incurred for the third month of such Calendar Quarter (each, a "Development Cost Reconciliation Report"). Each Party shall submit any additional information reasonably requested by the other Party related to the Shared Development Costs included in its Development Cost Reconciliation Reports within [***] days after its receipt of such request. Within [***] days after the receipt of the second Development Cost Reconciliation Report for each Calendar Quarter delivered by MTI pursuant to this subparagraph, Licensee shall prepare and deliver to MTI a composite report that (A) summarizes the relevant Shared Development Costs incurred by each Party for such Calendar Quarter, and (B) computes the amount due to Licensee or MTI, as applicable, for such Calendar Quarter in order for the Parties to share the total Shared Development Costs for such quarter in accordance with subparagraph (a) above based on the Co-Development Plan (each payment for such amount due, a "Development Cost

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Reconciliation Payment"). The Party to which a Development Cost Reconciliation Payment is due shall issue an invoice to the other Party for the Development Cost Reconciliation Payment, and such other Party shall pay the Development Cost Reconciliation Payment within [***] days after its receipt of the invoice. Each Party shall have the right to audit the records of the other Party with respect to any purported Shared Development Costs included in such reports, in accordance with Section 8.2, *mutatis mutandis*.

d) Shared Development Cost Records: Each Party and its Affiliates and contract research organizations will keep and maintain accurate and complete records showing the Shared Development Costs incurred by it in performing its activities under the Co-Development Plan during the [***] preceding Calendar Years, which books and records will be sufficiently detailed such that total Shared Development Costs and Development Cost Reconciliation Payments can accurately be determined.

8. **Allocation and Reconciliation of Net Profits/Losses**:

a) Allocation: Licensee and MTI shall each receive (in the case of profits) or pay (in the case of losses), as applicable, [***] percent [***] of Net Profit/Losses with respect to co-Commercialization of the Co-Exploited Product in the United States, to be calculated and paid in accordance with the reporting, reconciliation and payment provisions of this Paragraph 8. If any Shared Commercialization Costs are related both to the Co-Exploited Product in the United States and to other product(s) or territory(ies), only an equitable allocation of such costs shall be deemed Shared Commercialization Costs.

b) Budget Overruns: With respect to any Shared Commercialization Costs, each Party shall promptly inform the other Party upon determining that it is likely to exceed the budget amounts set forth in the budget of the Co-Commercialization Plan for the activities such Party is responsible for under the Co-Commercialization Plan. To the extent that a Party (or its Affiliates) incurs Shared Commercialization Costs for the activities such Party is responsible for under the Co-Commercialization Plan for a particular Calendar Year which on an aggregate basis for that year exceed the Shared Commercialization Costs allocated for such activity in the budget of the Co-Commercialization Plan by a De Minimis Overage Amount, then such De Minimis Overage Amount shall automatically be included in the budget of the Co-Commercialization Plan for such year. However, to the extent that a Party (or its Affiliates) incurs Shared Commercialization Costs for the activities such Party is responsible for under the Co-Commercialization Plan for a particular Calendar Year which on an aggregate basis for that year exceed the Shared Commercialization Costs allocated for such activities in its budget of the Co-Commercialization Plan by an Excess Overage Amount, the Party that has so exceeded its budget shall provide to the JCC a full explanation for so exceeding its budget and such Excess Overage Amount shall only be included in the budget of the Co-Commercialization Plan to the extent that the other Party agrees to allow some or all of the Excess Overage Amount to be included in the budget of the Co-Commercialization Plan in its sole discretion. By way of example, if a Party incurs Shared Commercialization Costs in a particular Calendar Year which are in excess of its budget of the Co-Commercialization Plan for such Calendar Year, by [***] percent

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[***], then the first [***] percent [***] thereof will automatically be included in the applicable budget as a De Minimis Overage Amount and the remaining [***] percent [***] will constitute an Excess Overage Amount and shall only be included in the applicable budget to the extent agreed to by the other Party as set forth in this subparagraph. To the extent that the other Party does not agree to treat the Excess Overage Amount as Shared Commercialization Costs, the Party that has exceeded its budget shall be solely responsible for the Excess Overage Amount, and such Excess Overage Amount shall not be included in Shared Commercialization Costs for the purpose of calculating Net Profits/Losses in accordance the following subparagraph.

c) Reconciliation of Net Profits/Losses: Within [***] days following the end of each Calendar Quarter while the Parties are Co-Commercializing the Co-Exploited Product, each Party shall prepare and deliver to the other Party a quarterly report detailing its Shared Commercialization Costs and Shared Third Party Payments, as applicable, incurred by each Party and, in the case of Licensee, Net Sales in the United States, during such period in accordance with the terms and conditions hereof and in accordance with the applicable Accounting Standard (a "Profit and Loss Reconciliation Report"). Each Party shall submit any additional information reasonably requested by the other Party related to such Shared Commercialization Costs and Shared Third Party Payments included in its Profit and Loss Reconciliation Report within [***] days after its receipt of such request. Within [***] days after the receipt of the Profit and Loss Reconciliation Report delivered by MTI pursuant to this paragraph, Licensee shall prepare and deliver to MTI a composite report that (i) summarizes the relevant Shared Commercialization Costs and Shared Third Party Payments incurred by each Party, (ii) summarizes the Net Sales in the United States for such Calendar Quarter, (iii) summarizes the Net Profits/Losses for such Calendar Quarter, and (iv) computes the amount due to MTI or Licensee, as applicable, for such Calendar Quarter in order for the Parties to share the Net Profits/Losses for such quarter on a [***] basis (each such amount paid, a "Profit and Loss Reconciliation Payment"). The Party to which a Profit and Loss Reconciliation Payment is due shall issue an invoice to the other Party for the Profit and Loss Reconciliation Payment, and such other Party shall pay the Profit and Loss Reconciliation Payment within [***] days after its receipt of the invoice. Each Party shall have the right to audit the records of the other Party with respect to any purported Shared Commercialization Costs, Shared Third Party Payments, Net Sales in the United States, Net Profits/Losses, and Profit and Loss Reconciliation Payment included in such reports, in accordance with Section 8.2, *mutatis mutandis*.

d) Co-Commercialization Records: Each Party and its Affiliates will keep and maintain accurate and complete records showing the Shared Commercialization Costs and Shared Third Party Payments, as applicable, incurred by it, and in the case of Licensee, Net Sales in the United States, in performing its activities in the United States under the Co-Commercialization Plan during the [***] preceding Calendar Years, which books and records will be sufficiently detailed such that Shared Commercialization Costs, Shared Third Party Payments, Net Profits/Losses, and Profit and Loss Reconciliation Payments can accurately be determined. In calculating Net Profits/Losses the following principles shall apply:

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i) There shall be no double counting of any costs or expenses or of any revenues, and to the extent a cost or expense has been included in one category or sub-category, it shall not be included in another; similarly, to the extent any revenue has been taken into account in one category or sub-category it shall not be taken into account in another.

ii) When allocating costs and expenses under these Co-Exploitation Terms, each Party shall utilize the same policies and principles as it utilizes consistently within its group and business units when making internal cost allocations.

iii) To the extent an item of income or revenue is received by a Party or a cost or expense is incurred by a Party, and is necessary and specifically and directly identifiable, attributable and allocable to the Development or Commercialization of the Co-Exploited Product and is not otherwise accounted for in the calculation of Net Profits/Losses, such Party shall credit such income or revenue and shall be permitted to charge such cost or expense to the Net Profits/Losses (except for Excess Overage Amounts not agreed to by the other Party).

iv) All costs and expenses shall be determined, and all calculations shall be made, in accordance with the applicable Accounting Standard.

9. **Adverse Events; Recall; Product Liability Claims**:

a) The Parties shall establish procedures for reporting adverse events and other Co-Exploited Product related safety issues and shall enter into a pharmacovigilance agreement prior to MTI's conduct of a [***] Clinical Trial of the Co-Exploited Product as provided in these Co-Exploitation Terms. Unless otherwise agreed by the Parties, Licensee shall have the right and primary responsibility to make decisions and to take immediate action with respect to Co-Exploited Product safety issues, including recalls, in all cases, after reasonable, good faith consultation with MTI; provided, however, that Licensee may make such decision without consultation with MTI to the extent necessary for Licensee to comply with its regulatory obligations. As between the Parties, [***] shall own the global safety database for the Co-Exploited Product.

b) Any Liabilities arising out of any Claim arising out of or resulting from the Development, Manufacture or Commercialization of any Co-Exploited Product for use or sale in the Field in the United States ("Product Liability Costs"), shall be shared equally by the Parties as a Shared Commercialization Cost for purposes of calculating Net Profits/Losses, except to the extent such Losses arise out of any Claim based on (i) a Party's breach of any of its representations, warranties, covenants or obligations pursuant to the Agreement or these Co-Exploitation Terms, or (ii) the negligence or willful misconduct of a Party, its Affiliates, its or its Affiliates' Sublicensees, or any of the respective officers, directors, employees and agents of each of the foregoing entities, in the performance of obligations or exercise of rights under the Agreement or these Co-Exploitation Terms.

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10. **Detailing Responsibilities**: Detailing activities conducted by the Parties shall be conducted in accordance with the Co-Commercialization Plan and as directed by the JCC. The Parties shall only use promotional materials, advertising materials and literature approved by the JCC (subject to appropriate legal, medical and regulatory review by the Parties). No Party shall be required to undertake any activity under these Co-Exploitation Terms which it believes, in good faith, would violate any Applicable Laws. The JCC shall determine and set forth in the Co-Commercialization Plan the targeted number of total Details to be performed by each Party during each Calendar Year covered by the Co-Commercialization Plan, if any, and the Target Audience for such Details (the "Detail Requirements").

a) Detail cost reimbursement shall be the same on an equivalent per-Detail basis for each Party and shall be determined by the JCC (the "Per-Detail Cost"); accordingly, the only amount that a Party shall include in Commercialization Costs for the conduct of Details is the Per-Detail Cost for the Details actually conducted in accordance with the Co-Commercialization Plan, even if such Party's actual per-Detail costs differ from the Per-Detail Cost.

b) Each Party shall keep complete and accurate records of all Details performed by its sales force with respect to the Co-Exploited Product in the United States, which will be accessible to the other Party as determined by the JCC. The Parties will, if reasonably necessary, cooperate through the JCC to establish compatible Detail reporting and tracking mechanisms for Detailing the Co-Exploited Product to facilitate communication and coordination of the Detailing efforts between the Parties.

11. **Effect of Change in Control of MTI**: Upon any Change in Control of MTI, the following changes to these Co-Exploitation Terms will become effective:

a) MTI will have no further right to be the Controlling Party for any [***] Clinical Trial of the Co-Exploited Product pursuant to Paragraph 6(c)(ii) above; provided, however, that MTI may continue to be the Controlling Party for any ongoing [***] Clinical Trial in which patients are enrolled or being dosed and for which it was the Controlling Party as of such Change in Control;

b) if MTI's acquirer or any of its Affiliates is Developing or Commercializing, or has plans to Develop or Commercialize, a product that Licensee reasonably considers to be competitive with the Co-Exploited Product, MTI will propose to Licensee and implement a mutually acceptable firewall to ensure that MTI's Co-Exploitation of the Co-Exploited Product, including its representation on the Development Committee, does not result in proprietary information being disclosed between personnel working on the Co-Exploited Product and personnel working on such competitive product; and

c) MTI's acquirer shall be obligated to maintain at least the same level of diligence in performing MTI's obligations under these Co-Exploitation Terms as had been applied prior to the applicable transaction, unless otherwise agreed to in writing by the Parties.

For clarity, the Parties shall continue to share Shared Development Costs and Net Profits/Losses for the Co-Exploited Product.

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12. **Term and Termination of Co-Exploitation**:

a) The term of Co-Exploitation under these Co-Exploitation Terms (the "Co-Exploitation Period") shall commence upon MTI's exercise of the Co-Exploitation Option and, unless earlier terminated, shall expire upon the earlier of (i) MTI's exercise of the Co-Exploitation Option with respect to any other Potential Co-Exploited Product in accordance with Section 5.5.6 or (ii) such time as the JCC may determine to cease Commercialization of the Co-Exploited Product in the United States.

b) Termination by MTI Without Cause. MTI may terminate the Co-Exploitation hereunder at any time by giving Licensee at least [***] days' prior written notice (or such shorter notice as Licensee may agree). If MTI delivers such notice, then MTI shall not be responsible for any Shared Development Costs incurred by Licensee (or its Affiliates) hereunder other than (i) its share of Shared Development Costs incurred prior to the date of such notice in accordance with the Co-Development Plan and (ii) its share of Shared Development Costs incurred from the date of such notice until [***] days thereafter (but Licensee shall not accelerate incurring any Shared Development Costs).

c) Termination for Cause. Either Party may terminate the Co-Exploitation in the event the other Party materially breaches its obligations under these Co-Exploitation Terms. Such termination shall only be effective if the breaching Party does not cure the breach within [***] days after written notice from the non-breaching Party, but if the material breach is not by its nature curable (either at all or within [***] days), then such termination shall be effective immediately upon written notice to the breaching Party.

d) Termination for Safety. Notwithstanding anything to the contrary herein, following discovery of a Material Safety Issue, either Party may, upon written notice to the other Party, halt its ongoing Co-Exploited Product Development and Commercialization activities, investigate the Material Safety Issue, and determine a course of action. Following such investigation, such Party may elect to terminate the Co-Exploitation, and if such Party makes such election, then it shall provide written notice to the other Party of such termination and such termination shall take effect immediately. Within [***] days of discovery of a Material Safety Issue, the discovering Party must either elect to terminate the Co-Exploitation, or restart its Co-Exploitation, Development and Commercialization activities and thereafter conduct such activities in accordance with the Co-Exploitation Terms.

e) Termination (but not expiration) of the Agreement, other than by Licensee pursuant to Section 13.2, shall result in the termination of the Co-Exploitation.

f) If Licensee terminates the Co-Exploitation due to MTI's material breach, Licensee may reduce by [***] percent [***] the milestones and royalties with respect to the terminated Co-Exploited Product under Article 7 of the Agreement that would not have been payable had the Co-Exploitation continued.

g) Following any termination of the Co-Exploitation, the Parties shall reasonably cooperate to wind down all activities under these Co-Exploitation Terms expeditiously.

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The sharing of Shared Development Costs and Net Profits/Losses under these Co-Exploitation Terms shall continue during such wind down period.

13. **Definitions**:

"Commercial Supply Costs" means the actual fully burdened costs and expenses incurred by Licensee and its Affiliates for the Manufacture and/or supply of commercial quantities of the Co-Exploited Product for sale in the United States, calculated using a methodology consistent with the applicable Accounting Standard.

"Commercialization Costs" means the actual fully burdened costs and expenses incurred by a Party or its Affiliates attributable to, or reasonably allocable (in accordance with the applicable Accounting Standard) to, (a) the Commercialization of the Co-Exploited Product in the United States and that are consistent with the Co-Commercialization Plan and (b) any other Commercialization-related activities that are approved by the JCC as Commercialization Costs. Commercialization Costs excludes any Commercial Supply Costs. Distribution costs should be based on actual direct spending plus a reasonable allocation for indirect distribution spending.

"Detail" or "Detailing" means, with respect to the Co-Exploited Product, the communication by a Sales Representative to a member of the Target Audience (a) involving face-to-face contact, (b) describing in a fair and balanced manner the FDA-approved indicated uses and other relevant characteristics of such Co-Exploited Product, (c) using promotional materials in an effort to increase the Target Audience prescribing or hospital ordering preferences of such Co-Exploited Product for its FDA-approved indicated uses, and (d) made at the Target Audience member's office, in a hospital or other place where the Target Audience member normally issues prescriptions where the principal objective is to place an emphasis, either primary or secondary, on the Co-Exploited Product and not simply to discuss the Co-Exploited Product with a member of the Target Audience. For the avoidance of doubt, discussions at conventions, congresses and meetings of key opinion leaders organized by a Party shall not constitute "Details" or "Detailing."

"Development Supply Costs" means the actual fully burdened cost to, and out-of-pocket incurred by, Licensee or its Affiliates for the Manufacture and/or supply of quantities of the Co-Exploited Product for Development use, calculated using a methodology consistent with IFRS.

"Material Safety Issue" means any safety, tolerability or other data, indicating or signaling, as measured by customary safety and efficacy evaluation criteria and methodology, that the Co-Exploited Product is unsafe for medical applications in humans.

"Net Profits/Losses" means, for a given period, Net Sales of the Co-Exploited Product in the United States less Shared Commercialization Costs and Shared Third Party Payments. "Net Profit" means Net Profits/Losses where the result is a positive number, and "Net Losses" means Net Profits/Losses where the result is a negative number.

"Sales Representative" means a professional pharmaceutical sales representative employed by either Party to conduct primarily Detailing and other Promotional efforts with

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respect to a Co-Exploited Product and who has been trained by either Party in accordance with a training protocol to be agreed upon by the Parties as set forth in the Co-Commercialization Plan.

"Shared Commercialization Costs" means MTI's Commercialization Costs and Licensee's Commercialization Costs, in each case, with respect to the Co-Exploited Product in the United States, and that are consistent with the Co-Commercialization Plan. Shared Commercialization Costs includes Commercial Supply Costs.

"Shared Development Costs" means the costs and expenses incurred by a Party, its Affiliates, licensees or Sublicensees attributable to, or reasonably allocable (in accordance with the applicable Accounting Standard) to the Development of the Co-Exploited Product after commencement of the first [***] Clinical Trial thereof, and that are consistent with the Co-Development Plan. Shared Development Costs includes Development Supply Costs.

"Shared Third Party Payments" means, following the exercise of the Co-Exploitation Option, Third Party Payments paid by MTI or Licensee or their Affiliates, arising out of the Manufacture of the Co-Exploited Product for Commercialization in the United States or for Commercialization of the Co-Exploited Product in the United States.

"Target Audience" means the physicians or other health care professionals with authority to prescribe a pharmaceutical product or issue hospital orders for a pharmaceutical product in the United States

"Third Party IP Rights" means Patent Rights and Know-How owned or controlled by a Third Party.

"Third Party Payments" means any amounts paid by a Party or any of its Affiliates to a Third Party in consideration for a license of Third Party IP Rights from any Third Party to Manufacture or Commercialize the Co-Exploited Product.

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SCHEDULE H

SHARE PURCHASE AGREEMENT TERM SHEET

This Term Sheet summarizes the principal terms of the share purchase agreement contemplated by Section 5.5.4(a) and Section 5.5.4(b) of the Agreement.

Investor	Licensee
Issued Shares:	Common shares of MTI
Number of Issued Shares:	Subject to the following sentence, the number of Issued Shares equal to the quotient obtained by dividing: (A) the Co-Exploitation Option Exercise Fee by (B) a per share price that is (x) [***] of the per share price of the common shares of MTI based on the most recent Third Party Section 409A valuation of the MTI common stock (a copy of which shall be to Licensee), if the MTI common stock is not publicly traded at such time, or (y) the average closing price of the MTI common stock on its principal trading exchange for [***] trading days ending on the trading day immediately preceding the exercise of the Co-Exploitation Option, if the MTI common stock is publicly traded at such time Notwithstanding the foregoing, the issuance of the Issued Shares to Licensee may not cause Licensee's aggregate ownership of MTI to exceed [***] percent [***] of the then issued and outstanding common shares

	of MTI on a fully diluted basis, and any remaining amount of the Co-Exploitation Option Exercise Fee pursuant to Section 5.5.4(b) of the Agreement shall be payable in U.S. Dollars.
Representations and Warranties:	If, at the time of execution of the share purchase agreement, MTI is a privately-held company, the share purchase agreement would contain the same representations and warranties included in the share purchase agreement from MTI's last financing round in which venture capital, private equity or other institutional investors participated. If, at the time of execution of the share purchase agreement, MTI

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	is a publicly-traded company, the share purchase agreement would contain representations and warranties that are customary and standard for a private investment in public equity transaction.
Conditions to Closing:	Customary and standard conditions to closing.
Costs and Expenses:	MTI counsel to draft closing documents. Each Party to pay its own legal and administrative costs associated with negotiating and entering into the share purchase agreement.
Voting Agreement:	There will be no requirement to enter into a voting agreement with respect to the Issued Shares and Licensee will not be subject to any voting restrictions.
Registration of Shares:	Licensee will not be granted any demand registration rights by MTI with respect to the Issued Shares and the Issued Shares shall not be registered at the time of issuance. Licensee will be granted piggyback registration rights that are *pari passu* to the rights granted to investors of MTI. The Issued Shares will not be subject to any contractual transfer restrictions and may be transferred in compliance with applicable securities laws.

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CONFIDENTIAL

FIRST AMENDMENT TO
AMENDED AND RESTATED RESEARCH COLLABORATION AND COMMERCIAL LICENSE AGREEMENT

This First Amendment (the **"First Amendment")** to Amended and Restated Research Collaboration and Commercial License Agreement, as amended, made as of this [09] day of March, 2017 (the **"First Amendment Effective Date"),** is by and between

MERSANA THERAPEUTICS, INC., a Delaware corporation, having its principal place of business at 840 Memorial Drive Cambridge, MA 02139 (hereinafter referred to as **"MTI")**

and

MILLENNIUM PHARMACEUTICALS, INC., a Delaware corporation, a wholly-own'ed subsidiary of Takeda Pharmaceutical Company Limited, having its principal place of business' at 40 Landsdowne Street, Cambridge, MA 02139 (hereinafter referred to as **"Licensee").**

MTI and Licensee may sometimes individually be referred to hereafter as a **"Party"** or collectively as the **"Parties".**

Introduction

WHEREAS, MTI and Licensee have entered into that certain Amended and Restated Research Collaboration and Commercial License Agreement dated January 29, 2016 (the **"Original Agreement,"** and as amended by this First Amendment, the **"Agreement");** and

WHEREAS, MTI and Licensee wish to amend the Original Agreement as set forth in this Amendment to extend the Research Program Term for Designated Target Antigen One, on the terms set forth below.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and further good and valuable consideration, MTI and Licensee agree to amend the Original Agreement as follows:

Article 1.
Amendments

Section 1.1. Existing Definitions. Terms used herein without further definition shall have the same meanings ascribed to them as in the Original Agreement.

Section 1.2. New Definitions. The following new definitions are hereby added to Article 1 of the Agreement in alphabetical order:

(a) **"First Amendment"** means the First Amendment to this Agreement, dated as of the First Amendment Effective Date.

(b) **"First Amendment Effective Date"** means March [09], 2017.

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

Section 1.3. Extension of Research Program Term for Designated Target Antigen One. A sentence shall be added to the end of Section 2.3 of the Original Agreement as follows:

"Notwithstanding anything to the contrary in this Section 2.3, the Research Program Term for Designated Target Antigen One will expire on [***]. For the extension of the Research Program Term for Designated Target Antigen One under the First Amendment from [***], Licensee will pay to MTI [***] Dollars [***] within [***] Business Days after the First Amendment Effective Date. For each extension of the Research Program Term for Designated Target Antigen One under the First Amendment from [***]; provided, that, if the activities set forth in the Research Plan are completed in any [***] Term prior to the start of the last [***] Term, no [***] Term Payment for any such subsequent [***] Term will be due and any [***] Term Payments paid for such [***] Terms following Research Plan completion shall be refunded to Licensee promptly following such then-current [***] Term."

Article 2.
Miscellaneous

Section 2.1. Effectiveness. Except as set forth in this First Amendment, all terms and conditions of the Original Agreement are hereby ratified and shall remain in full force and effect. Amendments made pursuant to this First Amendment shall be effective as of the First Amendment Effective Date.

Section 2.2. Conflicts. In the event of a conflict between a provision of the Original Agreement and a provision of this First Amendment, the provisions of this First Amendment will control to the extent of such conflict.

Section 2.3. Counterparts. This First Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be signed or delivered by facsimile or electronically scanned signature page.

[Remainder of Page Left Intentionally Blank.
Signature Page to Follow]

[***] Portions of this exhibit have been redacted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to Amended and Restated Research Collaboration and Commercial License Agreement to be effective as of the First Amendment Effective Date.

MERSANA THERAPEUTICS, INC.

By: /s/ Eva Jack

Name: Eva Jack

Title: Chief Business Officer

MILLENNIUM PHARMACEUTICALS, INC.

By: /s/ OP Veiby

Name: OP Veiby

Title: Sr Dir Bio Therapeutics

Exhibit 10.21

MERSANA THERAPEUTICS, INC.

2007 STOCK INCENTIVE PLAN

(amendment and restatement of 2002 Employee, Director and Consultant Stock Plan)

(as amended on October 14, 2010)

1. Purpose

The purpose of this 2007 Stock Incentive Plan (the "Plan") of Mersana Therapeutics, Inc., a Delaware corporation (the "Company"), is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to align their interests with those of the Company's stockholders. Except where the context otherwise requires, the term "Company" shall include any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code") and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board of Directors of the Company (the "Board").

The Plan is an amendment and restatement of the Company's 2002 Employee, Director and Consultant Stock Plan (the "2002 Plan"). Upon adoption of the Plan by the Board and the Company's stockholders, the 2002 Plan shall be amended and restated to read in its entirety as set forth herein, and all stock options previously granted under the 2002 plan shall be governed by the Plan thereafter.

2. Eligibility

All of the Company's employees, officers, directors, consultants and advisors are eligible to receive options, restricted stock and other stock-based awards (each, an "Award") under the Plan. Each person who receives an Award under the Plan is deemed a "Participant".

3. Administration and Delegation

(a) Administration by Board of Directors. The Plan will be administered by the Board. The Board shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient to carry the Plan into effect and it shall be the sole and final judge of such expediency. All decisions by the Board shall be made in the Board's sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award. No director or person acting pursuant to the authority delegated by the Board shall be liable for any action or determination relating to or under the Plan made in good faith.

(b) Appointment of Committees. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (a "Committee"). All references in the Plan to the "Board" shall mean the Board or a Committee of the Board or the officers referred to in Section 3(c) to the extent that the Board's powers or authority under the Plan have been delegated to such Committee or officers.

(c) Delegation to Officers. To the extent permitted by applicable law, the Board may delegate to one or more officers of the Company the power to grant Awards to employees or officers of the Company or any of its present or future subsidiary corporations and to exercise such other powers under the Plan as the Board may determine, provided that the Board shall fix the terms of the Awards to be granted by such officers (including the exercise price of such Awards, which may include a formula by which the exercise price will be determined) and the maximum number of shares subject to Awards that the officers may grant; provided further, however, that no officer shall be authorized to grant Awards to any "executive officer" of the Company (as defined by Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) or to any "officer" of the Company (as defined by Rule 16a-1 under the Exchange Act).

4. Stock Available for Awards.

Subject to adjustment under Section 8, Awards may be made under the Plan for up to 3,003,954 shares of common stock, $.0001 par value per share, of the Company (the "Common Stock"). If any Award expires or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase right) or results in any Common Stock not being issued, the unused Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. Further, shares of Common Stock tendered to the Company by a Participant to exercise an Award shall be added to the number of shares of Common Stock available for the grant of Awards under the Plan. However, in the case of Incentive Stock Options (as hereinafter defined), the foregoing provisions shall be subject to any limitations under the Code. Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

5. Stock Options

(a) General. The Board may grant options to purchase Common Stock (each, an "Option") and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable. An Option which is not intended to be an Incentive Stock Option (as hereinafter defined) shall be designated a "Nonstatutory Stock Option".

(b) Incentive Stock Options. An Option that the Board intends to be an "incentive stock option" as defined in Section 422 of the Code (an "Incentive Stock Option") shall only be granted to employees of Mersana Therapeutics, Inc., any of the present or future parent or subsidiary corporations of Mersana Therapeutics, Inc. as defined in Sections 424(e) or (f) of the

Code, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code, and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. The Company shall have no liability to a Participant, or any other party, if an Option (or any part thereof) that is intended to be an Incentive Stock Option is not an Incentive Stock Option or for any action taken by the Board pursuant to Section 9(f), including without limitation the conversion of an Incentive Stock Option to a Nonstatutory Stock Option.

(c) Exercise Price. The Board shall establish the exercise price of each Option and specify such exercise price in the applicable option agreement.

(d) Duration of Options. Each Option shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable option agreement.

(e) Exercise of Option. Options may be exercised by delivery to the Company of a written notice of exercise signed by the proper person or by any other form of notice (including electronic notice) approved by the Board together with payment in full as specified in Section 5(f) for the number of shares for which the Option is exercised. Shares of Common Stock subject to the Option will be delivered by the Company following exercise either as soon as practicable or, subject to such conditions as the Board shall specify, on a deferred basis (with the Company's obligation to be evidenced by an instrument providing for future delivery of the deferred shares at the time or times specified by the Board).

(f) Payment Upon Exercise. Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

(1) in cash or by check, payable to the order of the Company;

(2) except as the Board may otherwise provide in an option agreement, by (i) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding or (ii) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(3) when the Common Stock is registered under the Exchange Act, by delivery of shares of Common Stock owned by the Participant valued at their fair market value as determined by (or in a manner approved by) the Board ("Fair Market Value"), provided (i) such method of payment is then permitted under applicable law, (ii) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Board in its discretion and (iii) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(4) to the extent permitted by applicable law and by the Board, by (i) delivery of a promissory note of the Participant to the Company on terms determined by the Board, or (ii) payment of such other lawful consideration as the Board may determine; or

(5) by any combination of the above permitted forms of payment.

(g) Repricing of Options. The Board may, without stockholder approval, amend any outstanding Option granted under the Plan to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding Option. The Board may also, without stockholder approval, cancel any outstanding Option and grant in substitution therefor new Awards covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then-current exercise price per share of the cancelled Option."

6. Restricted Stock

(a) General. The Board may grant Awards entitling recipients to acquire shares of Common Stock, subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient in the event that conditions specified by the Board in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Award (each, a "Restricted Stock Award").

(b) Terms and Conditions. The Board shall determine the terms and conditions of a Restricted Stock Award, including the conditions for repurchase (or forfeiture) and the issue price, if any.

(c) Stock Certificates. Any stock certificates issued in respect of a Restricted Stock Award shall be registered in the name of the Participant and, unless otherwise determined by the Board, deposited by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to the beneficiary designated, in a manner determined by the Board, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death (the "Designated Beneficiary"). In the absence of an effective designation by a Participant, "Designated Beneficiary" shall mean the Participant's estate.

(d) Deferred Delivery of Shares. The Board may, at the time any Restricted Stock Award is granted, provide that, at the time Common Stock would otherwise be delivered pursuant to the Award, the Participant shall instead receive an instrument evidencing the right to future delivery of Common Stock at such time or times, and on such conditions, as the Board shall specify. The Board may at any time accelerate the time at which delivery of all or any part of the Common Stock shall take place. The Board may also permit an exchange of unvested shares of Common Stock that have already been delivered to a Participant for an instrument evidencing the right to future delivery of Common Stock at such time or times, and on such conditions, as the Board shall specify.

7. Other Stock-Based Awards

Other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property, may be granted hereunder to Participants ("Other Stock Unit Awards"), including without limitation stock appreciation rights and Awards entitling recipients to receive shares of Common Stock to be delivered in the future. Such Other Stock Unit Awards shall also be available as a

form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock Unit Awards may be paid in shares of Common Stock or cash, as the Board shall determine. Subject to the provisions of the Plan, the Board shall determine the conditions of each Other Stock Unit Awards, including any purchase price applicable thereto. At the time any Award is granted, the Board may provide that, at the time Common Stock would otherwise be delivered pursuant to the Award, the Participant will instead receive an instrument evidencing the Participant's right to future delivery of the Common Stock.

8. Adjustments for Changes in Common Stock and Certain Other Events

(a) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under this Plan, (ii) the number and class of securities and exercise price per share of each outstanding Option, (iii) the repurchase price per share subject to each outstanding Restricted Stock Award, and (iv) the terms of each other outstanding Award shall be appropriately adjusted by the Company (or substituted Awards may be made, if applicable) to the extent determined by the Board.

(b) Reorganization Events

(1) Definition. A "Reorganization Event" shall mean: (a) any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled by or (b) any exchange of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange transaction or (c) any liquidation or dissolution of the Company.

(2) Consequences of a Reorganization Event on Awards Other than Restricted Stock Awards. In connection with a Reorganization Event, the Board shall take any one or more of the following actions as to all or any outstanding Awards on such terms as the Board determines: (i) provide that Awards shall be assumed, or substantially equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to a Participant, provide that the Participant's unexercised Options or other unexercised Awards shall become exercisable in full and will terminate immediately prior to the consummation of such Reorganization Event unless exercised by the Participant within a specified period following the date of such notice, (iii) provide that outstanding Awards shall become realizable or deliverable, or restrictions applicable to an Award shall lapse, in whole or in part prior to or upon such Reorganization Event, (iv) in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share surrendered in the Reorganization Event (the "Acquisition Price"), make or provide for a cash payment to a Participant equal to (A) the Acquisition Price times the number of shares of Common Stock subject to the Participant's Options or other Awards (to the extent the exercise price does not exceed the Acquisition Price) minus (B) the aggregate exercise price of all such outstanding Options or other Awards, in exchange for the termination of such Options or other Awards, (v) provide that, in connection with a liquidation or dissolution of the

Company, Awards shall convert into the right to receive liquidation proceeds (if applicable, net of the exercise price thereof) and (vi) any combination of the foregoing.

For purposes of clause (i) above, an Option shall be considered assumed if, following consummation of the Reorganization Event, the Option confers the right to purchase, for each share of Common Stock subject to the Option immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); provided, however, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise of Options to consist solely of common stock of the acquiring or succeeding corporation (or an affiliate thereof) equivalent in fair market value to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.

To the extent all or any portion of an Option becomes exercisable solely as a result of clause (ii) above, the Board may provide that upon exercise of such Option the Participant shall receive shares subject to a right of repurchase by the Company or its successor at the Option exercise price; such repurchase right (x) shall lapse at the same rate as the Option would have become exercisable under its terms and (y) shall not apply to any shares subject to the Option that were exercisable under its terms without regard to clause (ii) above.

(3) Consequences of a Reorganization Event on Restricted Stock Awards. Upon the occurrence of a Reorganization Event other than a liquidation or dissolution of the Company, the repurchase and other rights of the Company under each outstanding Restricted Stock Award shall inure to the benefit of the Company's successor and shall apply to the cash, securities or other property which the Common Stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to the Common Stock subject to such Restricted Stock Award. Upon the occurrence of a Reorganization Event involving the liquidation or dissolution of the Company, except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock Award or any other agreement between a Participant and the Company, all restrictions and conditions on all Restricted Stock Awards then outstanding shall automatically be deemed terminated or satisfied.

9. General Provisions Applicable to Awards

(a) Transferability of Awards. Except as the Board may otherwise determine or provide in an Award, Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, other than in the case of an Incentive Stock Option, pursuant to a qualified domestic relations order, and, during the life of the Participant, shall be exercisable only by the Participant. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees.

(b) Documentation. Each Award shall be evidenced in such form (written, electronic or otherwise) as the Board shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) Board Discretion. Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Board need not treat Participants uniformly.

(d) Termination of Status. The Board shall determine the effect on an Award of the disability, death, retirement, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant's legal representative, conservator, guardian or Designated Beneficiary, may exercise rights under the Award.

(e) Withholding. Each Participant shall pay to the Company, or make provision satisfactory to the Company for payment of, any taxes required by law to be withheld in connection with an Award to such Participant. Except as the Board may otherwise provide in an Award, for so long as the Common Stock is registered under the Exchange Act, Participants may satisfy such tax obligations in whole or in part by delivery of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value; provided, however, except as otherwise provided by the Board, that the total tax withholding where stock is being used to satisfy such tax obligations cannot exceed the Company's minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). Shares surrendered to satisfy tax withholding requirements cannot be subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements. The Company may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to a Participant.

(f) Amendment of Award. The Board may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or realization, and converting an Incentive Stock Option to a Nonstatutory Stock Option, provided that the Participant's consent to such action shall be required unless the Board determines that the action, taking into account any related action, would not materially and adversely affect the Participant.

(g) Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

(h) Acceleration. The Board may at any time provide that any Award shall become immediately exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be.

10. Miscellaneous

(a) No Right To Employment or Other Status. No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) No Rights As Stockholder. Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares. Notwithstanding the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to such Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(c) Effective Date and Term of Plan. The Plan shall become effective on the date on which it is adopted by the Board. No Awards shall be granted under the Plan after the completion of 10 years from the earlier of (i) the date on which the Plan was adopted by the Board or (ii) the date the Plan was approved by the Company's stockholders, but Awards previously granted may extend beyond that date.

(d) Amendment of Plan. The Board may amend, suspend or terminate the Plan or any portion thereof at any time.

(e) Authorization of Sub-Plans. The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable blue sky, securities or tax laws of various jurisdictions. The Board shall establish such sub-plans by adopting supplements to this Plan containing (i) such limitations on the Board's discretion under the Plan as the Board deems necessary or desirable or (ii) such additional terms and conditions not otherwise inconsistent with the Plan as the Board shall deem necessary or desirable. All supplements adopted by the Board shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Company shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement.

(f) Governing Law. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without regard to any applicable conflicts of law.

MERSANA THERAPEUTICS, INC.

Incentive Stock Option Agreement

1. Grant of Option.

This agreement evidences the grant by Mersana Therapeutics, Inc., a Delaware corporation (the "Company"), on [insert date of Board approval] (the "Grant Date") to [insert name of Participant], an employee of the Company (the "Participant"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's 2007 Stock Incentive Plan (the "Plan"), a total of [insert number of option shares] shares (the "Shares") of common stock, $.0001 par value per share, of the Company ("Common Stock") at $[insert exercise price] per Share. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on [insert date that is ten years minus one day after Board approval] (the "Final Exercise Date").

It is intended that the option evidenced by this agreement shall be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"). Except as otherwise indicated by the context, the term "Participant", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

This option will become exercisable ("vest") as to 25% of the original number of Shares on the first anniversary of [insert date vesting commences] (the "Vesting Commencement Date") and as to an additional 6.25% of the original number of Shares at the end of each successive three-month period following the first anniversary of the Vesting Commencement Date until the fourth anniversary of the Vesting Commencement Date.

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

3. Exercise and Termination of Option; Repurchase Right.

(a) Form of Exercise. Each election to exercise this option shall be in writing, signed by the Participant, and received by the Company at its principal office, accompanied by this agreement, and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee of the

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Company or any parent or subsidiary of the Company as defined in Section 424(e) or (f) of the Code (an "Eligible Participant").

(c) Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for Cause (as defined in paragraph (e) below), this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) Termination for Cause; Breach of Certain Obligations. If, prior to the Final Exercise Date, the Participant is discharged by the Company for Cause (as defined below) or the Participant violates the non-competition or confidentiality provisions of any agreement between the Participant and the Company, then immediately upon notice from the Company to the Participant (i) the right to exercise this option, to the extent not previously exercised, shall terminate, and (ii) the Company shall have the right to repurchase all shares previously issued upon exercise of this option at a repurchase price equal to the exercise price therefor. If the Company exercises the foregoing repurchase right, the Participant shall tender to the Company at its principal offices the certificate or certificates representing the shares to be repurchased by the Company, duly endorsed in blank by the Participant or with duly endorsed stock powers attached thereto, all in a form suitable for transfer to the Company, and the Company shall promptly thereafter deliver or mail to the Participant a check in payment of the repurchase price for such shares. The foregoing repurchase right shall terminate upon the earlier of the events specified in Section 4(g) below. "Cause" shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant shall be considered to have been discharged for Cause if the Company determines, within 60 days after the Participant's resignation, that discharge for Cause was warranted.

4. Company Right of First Refusal.

(a) Notice of Proposed Transfer. If the Participant proposes to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, "transfer") any Shares acquired upon exercise of this option, then the Participant shall first give written notice of the proposed transfer (the "Transfer Notice") to the Company. The Transfer Notice shall name the proposed transferee and state the number of such Shares the Participant

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proposes to transfer (the "Offered Shares"), the price per share and all other material terms and conditions of the transfer.

(b) Company Right to Purchase. For 60 days following its receipt of such Transfer Notice, the Company shall have the option to purchase all or part of the Offered Shares at the price and upon the terms set forth in the Transfer Notice. In the event the Company elects to purchase all or part of the Offered Shares, it shall give written notice of such election to the Participant within such 60-day period. Within 10 days after his receipt of such notice, the Participant shall tender to the Company at its principal offices the certificate or certificates representing the Offered Shares to be purchased by the Company, duly endorsed in blank by the Participant or with duly endorsed stock powers attached thereto, all in a form suitable for transfer of the Offered Shares to the Company. Promptly following receipt of such certificate or certificates, the Company shall deliver or mail to the Participant a check in payment of the purchase price for such Offered Shares; provided that if the terms of payment set forth in the Transfer Notice were other than cash against delivery, the Company may pay for the Offered Shares on the same terms and conditions as were set forth in the Transfer Notice; and provided further that any delay in making such payment shall not invalidate the Company's exercise of its option to purchase the Offered Shares.

(c) Shares Not Purchased By Company. If the Company does not elect to acquire all of the Offered Shares, the Participant may, within the 60-day period following the expiration of the option granted to the Company under Section 4(b) above, transfer the Offered Shares which the Company has not elected to acquire to the proposed transferee, provided that such transfer shall not be on terms and conditions more favorable to the transferee than those contained in the Transfer Notice. Notwithstanding any of the above, all Offered Shares transferred pursuant to this Section 4 shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(d) Consequences of Non-Delivery. After the time at which the Offered Shares are required to be delivered to the Company for transfer to the Company pursuant to Section 4(b) above, the Company shall not pay any dividend to the Participant on account of such Offered Shares or permit the Participant to exercise any of the privileges or rights of a stockholder with respect to such Offered Shares, but shall, in so far as permitted by law, treat the Company as the owner of such Offered Shares.

(e) Exempt Transactions. The following transactions shall be exempt from the provisions of this Section 4:

(1) any transfer of Shares to or for the benefit of any spouse, children, parents, uncles, aunts, siblings, nieces, nephews, grandchildren and any other relatives approved by the Board of Directors (collectively, "Approved Relatives") or to a trust, corporation, limited liability company, partnership or other entity established solely for the benefit of the Participant and/or Approved Relatives;

(2) any transfer pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "Securities Act"); and

(3) the sale of all or substantially all of the shares of capital stock of the Company (including pursuant to a merger or consolidation);

provided, however, that in the case of a transfer pursuant to clause (1) above, such Shares shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(f) Assignment of Company Right. The Company may assign its rights to purchase Offered Shares in any particular transaction under this Section 4 to one or more persons or entities.

(g) Termination. The provisions of this Section 4 shall terminate upon the earlier of the following events:

(1) the closing of the sale of shares of Common Stock in an underwritten public offering pursuant to an effective registration statement filed by the Company under the Securities Act; or

(2) the sale of all or substantially all of the capital stock, assets or business of the Company, by merger, consolidation, sale of assets or otherwise (other than a merger or consolidation in which all or substantially all of the individuals and entities who were beneficial owners of the Common Stock immediately prior to such transaction beneficially own, directly or indirectly, more than 75% of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction).

(h) No Obligation to Recognize Invalid Transfer. The Company shall not be required (1) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Section 4, or (2) to treat as owner of such Shares or to pay dividends to any transferee to whom any such Shares shall have been so sold or transferred.

(i) Legends. The certificate representing Shares shall bear a legend substantially in the following form (in addition to, or in combination with, any legend required by applicable federal and state securities laws and agreements relating to the transfer of the Company securities):

> "The shares represented by this certificate are subject to a right of first refusal in favor of the Company, as provided in a certain stock option agreement with the Company."

5. Agreement in Connection with Public Offering.

The Participant agrees, in connection with the initial underwritten public offering of the Company's securities pursuant to a registration statement under the Securities Act, (i) not to sell,

make short sale of, loan, grant any options for the purchase of, or otherwise dispose of any shares of Common Stock held by the Participant (other than those shares included in the offering) without the prior written consent of the Company or the underwriters managing such initial underwritten public offering of the

Company's securities for a period of 180 days from the effective date of such registration statement, and (ii) to execute any agreement reflecting clause (i) above as may be requested by the Company or the managing underwriters at the time of such offering.

6. Tax Matters.

(a) Withholding. No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

(b) Disqualifying Disposition. If the Participant disposes of Shares acquired upon exercise of this option within two years from the Grant Date or one year after such Shares were acquired pursuant to exercise of this option, the Participant shall notify the Company in writing of such disposition.

7. Nontransferability of Option.

This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

8. Provisions of the Plan.

This option is subject to the provisions of the Plan, a copy of which is furnished to the Participant with this option.

IN WITNESS WHEREOF, the Company has caused this option to be executed under its corporate seal by its duly authorized officer. This option shall take effect as a sealed instrument.

MERSANA THERAPEUTICS, INC.

Dated: [insert date of Board approval]

By: _____

Name: _____

Title: _____

PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing option and agrees to the terms and conditions thereof. The undersigned hereby acknowledges receipt of a copy of the Company's 2007 Stock Incentive Plan.

PARTICIPANT:

_____

[insert name of Participant]

Address: _____

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MERSANA THERAPEUTICS, INC.

Nonstatutory Stock Option Agreement

1. Grant of Option.

This agreement evidences the grant by Mersana Therapeutics, Inc., a Delaware corporation (the "Company"), on [insert date of Board approval] (the "Grant Date") to [insert name of Participant], an [insert employee, consultant or director, as applicable] of the Company (the "Participant"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's 2007 Stock Incentive Plan (the "Plan"), a total of [insert number of option shares] shares (the "Shares") of common stock, $.0001 par value per share, of the Company ("Common Stock") at $[insert exercise price] per Share. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on [insert date that is ten years minus one day after Board approval] (the "Final Exercise Date").

It is intended that the option evidenced by this agreement shall not be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"). Except as otherwise indicated by the context, the term "Participant", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

This option will become exercisable ("vest") as to 25% of the original number of Shares on the first anniversary of [insert date vesting commences] (the "Vesting Commencement Date") and as to an additional 6.25% of the original number of Shares at the end of each successive three-month period following the first anniversary of the Vesting Commencement Date until the fourth anniversary of the Vesting Commencement Date.

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

3. Exercise and Termination of Option; Repurchase Right.

(a) Form of Exercise. Each election to exercise this option shall be in writing, signed by the Participant, and received by the Company at its principal office, accompanied by this agreement, and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, [a/an] [insert

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employee, consultant or director, as applicable] of the Company or any parent or subsidiary of the Company as defined in Section 424(e) or (f) of the Code (an "Eligible Participant").

(c) Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for Cause (as defined in paragraph (e) below), this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) Termination for Cause; Breach of Certain Obligations. If, prior to the Final Exercise Date, the Participant is discharged by the Company for Cause (as defined below) or the Participant violates the non-competition or confidentiality provisions of any agreement between the Participant and the Company, then immediately upon notice from the Company to the Participant (i) the right to exercise this option, to the extent not previously exercised, shall terminate, and (ii) the Company shall have the right to repurchase all shares previously issued upon exercise of this option at a repurchase price equal to the exercise price therefor. If the Company exercises the foregoing repurchase right, the Participant shall tender to the Company at its principal offices the certificate or certificates representing the shares to be repurchased by the Company, duly endorsed in blank by the Participant or with duly endorsed stock powers attached thereto, all in a form suitable for transfer to the Company, and the Company shall promptly thereafter deliver or mail to the Participant a check in payment of the repurchase price for such shares. The foregoing repurchase right shall terminate upon the earlier of the events specified in Section 4(g) below. "Cause" shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant shall be considered to have been discharged for Cause if the Company determines, within 60 days after the Participant's resignation, that discharge for Cause was warranted.

4. Company Right of First Refusal.

(a) Notice of Proposed Transfer. If the Participant proposes to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, "transfer") any Shares acquired upon exercise of this option, then the Participant shall first give written notice of the proposed transfer (the "Transfer Notice") to the Company. The Transfer Notice shall name the proposed transferee and state the number of such Shares the Participant

proposes to transfer (the "Offered Shares"), the price per share and all other material terms and conditions of the transfer.

(b) Company Right to Purchase. For 60 days following its receipt of such Transfer Notice, the Company shall have the option to purchase all or part of the Offered Shares at the price and upon the terms set forth in the Transfer Notice. In the event the Company elects to purchase all or part of the Offered Shares, it shall give written notice of such election to the Participant within such 60-day period. Within 10 days after his receipt of such notice, the Participant shall tender to the Company at its principal offices the certificate or certificates representing the Offered Shares to be purchased by the Company, duly endorsed in blank by the Participant or with duly endorsed stock powers attached thereto, all in a form suitable for transfer of the Offered Shares to the Company. Promptly following receipt of such certificate or certificates, the Company shall deliver or mail to the Participant a check in payment of the purchase price for such Offered Shares; provided that if the terms of payment set forth in the Transfer Notice were other than cash against delivery, the Company may pay for the Offered Shares on the same terms and conditions as were set forth in the Transfer Notice; and provided further that any delay in making such payment shall not invalidate the Company's exercise of its option to purchase the Offered Shares.

(c) Shares Not Purchased By Company. If the Company does not elect to acquire all of the Offered Shares, the Participant may, within the 60-day period following the expiration of the option granted to the Company under Section 4(b) above, transfer the Offered Shares which the Company has not elected to acquire to the proposed transferee, provided that such transfer shall not be on terms and conditions more favorable to the transferee than those contained in the Transfer Notice. Notwithstanding any of the above, all Offered Shares transferred pursuant to this Section 4 shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(d) Consequences of Non-Delivery. After the time at which the Offered Shares are required to be delivered to the Company for transfer to the Company pursuant to Section 4(b) above, the Company shall not pay any dividend to the Participant on account of such Offered Shares or permit the Participant to exercise any of the privileges or rights of a stockholder with respect to such Offered Shares, but shall, in so far as permitted by law, treat the Company as the owner of such Offered Shares.

(e) Exempt Transactions. The following transactions shall be exempt from the provisions of this Section 4:

(1) any transfer of Shares to or for the benefit of any spouse, children, parents, uncles, aunts, siblings, nieces, nephews, grandchildren and any other relatives approved by the Board of Directors (collectively, "Approved Relatives") or to a trust, corporation, limited liability company, partnership or other entity established solely for the benefit of the Participant and/or Approved Relatives;

(2) any transfer pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "Securities Act"); and

(3) the sale of all or substantially all of the shares of capital stock of the Company (including pursuant to a merger or consolidation);

provided, however, that in the case of a transfer pursuant to clause (1) above, such Shares shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(f) Assignment of Company Right. The Company may assign its rights to purchase Offered Shares in any particular transaction under this Section 4 to one or more persons or entities.

(g) Termination. The provisions of this Section 4 shall terminate upon the earlier of the following events:

(1) the closing of the sale of shares of Common Stock in an underwritten public offering pursuant to an effective registration statement filed by the Company under the Securities Act; or

(2) the sale of all or substantially all of the capital stock, assets or business of the Company, by merger, consolidation, sale of assets or otherwise (other than a merger or consolidation in which all or substantially all of the individuals and entities who were beneficial owners of the Common Stock immediately prior to such transaction beneficially own, directly or indirectly, more than 75% of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction).

(h) No Obligation to Recognize Invalid Transfer. The Company shall not be required (1) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Section 4, or (2) to treat as owner of such Shares or to pay dividends to any transferee to whom any such Shares shall have been so sold or transferred.

(i) Legends. The certificate representing Shares shall bear a legend substantially in the following form (in addition to, or in combination with, any legend required by applicable federal and state securities laws and agreements relating to the transfer of the Company securities):

> "The shares represented by this certificate are subject to a right of first refusal in favor of the Company, as provided in a certain stock option agreement with the Company."

5. Agreement in Connection with Public Offering.

The Participant agrees, in connection with the initial underwritten public offering of the Company's securities pursuant to a registration statement under the Securities Act, (i) not to sell,

make short sale of, loan, grant any options for the purchase of, or otherwise dispose of any shares of Common Stock held by the Participant (other than those shares included in the offering) without the prior written consent of the Company or the underwriters managing such initial underwritten public offering of the Company's securities for a period of 180 days from the effective date of such registration statement, and (ii) to execute any agreement reflecting clause (i) above as may be requested by the Company or the managing underwriters at the time of such offering.

6. Withholding.

No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

7. Nontransferability of Option.

This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

8. Provisions of the Plan.

This option is subject to the provisions of the Plan, a copy of which is furnished to the Participant with this option.

IN WITNESS WHEREOF, the Company has caused this option to be executed under its corporate seal by its duly authorized officer. This option shall take effect as a sealed instrument.

MERSANA THERAPEUTICS, INC.

Dated: [insert date of Board approval]

By: _____

Name: _____

Title: _____

PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing option and agrees to the terms and conditions thereof. The undersigned hereby acknowledges receipt of a copy of the Company's 2007 Stock Incentive Plan.

PARTICIPANT:

_____

[insert name of Participant]

Address: _____

_____

Exhibit 21.1

Subsidiaries of the Registrant

Name	Ownership Percentage	Jurisdiction of Organization
Mersana Securities Corp.	100%	Massachusetts